Daily Report

Latin America

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FBIS-LAT-90-061 *29 March 1990*

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Costa Rica's Arias Confirms Summit for 2-3 April

PA2803214990 Hamburg DPA in Spanish
1938 GMT 28 Mar 90

[Text] San Jose, 28 Mar (DPA)—Costa Rican President Oscar Arias confirmed today that the next summit of Central American presidents will take place on 2-3 April in Managua.

Arias said that with the exception of Nicaragua's Daniel Ortega, all of his area colleagues have confirmed their attendance on that date.

The summit was originally scheduled for the end of March in Managua, but due to commitments of Salvadoran President Alfredo Cristiani, its postponement was requested, causing the summit to seem uncertain these last few days.

Arias said that the two main topics of the presidential summit will be demobilization and repatriation of the Nicaraguan contras based in Honduras and the urgent need for dialogue between the Salvadoran guerrillas and government.

The Costa Rican president also announced that he would introduce the topic of economic development in the area during the talks with his colleagues.

Arias, author of the Esquipulas II peace plan, believes that after bringing peace to Central America, it is necessary to "allow the imagination to roam" in order to make economic headway in Central America, including finding a method to solve the foreign debt problem.

Panama Barred From Rejoining Group of Eight

PA2803203390 Hamburg DPA in Spanish
1436 GMT 28 Mar 90

[Text] Caracas, 28 Mar (DPA)—Venezuelan Foreign Minister Reinaldo Figueredo Planchart has said that Panama, which had been suspended from the Group of Eight in May 1989, will not be reinstated into that regional coordination group. Figueredo Planchart told the Venezuelan press that "Panama has been excluded" from the Group of Eight. He also dismissed the possibility of debating the return of the isthmian country to the nucleus of the group in the meeting of the Group's foreign ministers that will begin tomorrow in Mexico.

The Governments of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela have already explicitly or implicitly recognized the government of President Guillermo Endara, established after the U.S. invasion in December.

Figueredo Planchart said that at the meeting in Mexico, Venezuela will propose a review of the parameters of hemispheric security, which lost validity after the American invasion of Panama.

In the Aztec capital, the foreign ministers of the Group of Eight (or of Rio) will discuss, above all, agendas of the meetings they will hold with their peers of the European Community on 10 and 11 April in Dublin, Ireland, and on 12 April in Budapest, Hungary, with the foreign ministers of Eastern Europe.

OAS Drug Abuse Commission Opens in Argentina

FL2703164790 Bridgetown CANA in English
1518 GMT 27 Mar 90

[Text] Buenos Aires, March 27, CANA—Efforts to coordinate the Inter-American plans to fight illegal drugs were being discussed on Tuesday [27 March] when the Organization of American States (OAS) Drug Abuse Control Commission began its seventh regular session in Argentina. One of the main topics at the the four-day meeting is the final preparations for an OAS meeting at the ministerial level to be held April 17-20 in Mexico to further discuss the drug problem.

"This is a crucial juncture at which the Americas must respond in solidarity and in full agreement to this scourge which first hinders family life and then puts in serious danger our democratic governments," said ambassador Lohle, Argentina's permanent representative to the OAS.

Cuba

Activities and Reactions Relating to TV Marti

Signal Blocked in 8 Minutes

FL2803130890 Havana Tele Rebelde Network in Spanish 1249 GMT 28 Mar 90

[Text] Cuban technicians only needed eight minutes today to interfere with the invading signal of the wrongly named TV Marti. A NATIONAL NEWS AGENCY report indicates that the second day of struggle against U.S. television aggression brought nothing new. The enemy began transmissions at 0343. At 0350, the directional point, after making usual verifications, began operating the interference device. By 0351, the invading signal had been virtually blocked in the entire coverage area. At 0645, the enemy ended its transmissions for today.

Technicians Well-Prepared

FL2803170090 Havana Radio Rebelde Network in Spanish 0040 GMT 28 Mar 90

[Interview with Mercedes Carracero Soto, first vice minister of communications by Roberto Paneque Fonseca from the Communications Ministry offices in Havana—live]

[Text] [Paneque] Good evening, Mercedes.

[Carracero] Good evening Paneque, and good evening to all Rebelde's "Exclusivo" program listeners.

[Paneque] Comrade Vice Minister, one of the questions our people are asking is how Cuba, being such a small country, has been able to block the signal coming from the largest imperialist country of the planet in only 10 minutes.

[Carracero] Well, Paneque, as you and our people know, we warned several times in international meetings that Cuba was going to prepare a forceful response to each one of the aggressions in the radioelectrical spectrum. Perhaps they underestimated us. This is a humble, hardworking, simple country but it has great people with a great heart. It has comrades with a lot of technical knowledge in the electronics field. You have said it. We, very calmly, carried out everything we had planned.

As you can understand this is nothing more than an attack. This country's people, militia members, are used to having a number of tasks in our wartime work plan. For communications workers this is a sort of war. It is an electronic war. Consequently, we implemented the plan we created and have practiced several times.

[Paneque] In this case, it was not the Communications Ministry's plan but the country's single communications system.

[Carracero] As I was telling you, this plan is not only of the Communications Ministry but includes the Revolutionary Armed Forces, the Interior Ministry, the comrades of the Cuban Institute of Radio and Telvision, which form part of the country's single communications system. It provides services in times of peace and times of war. That is, all the technical forces were united and, once more, we have crushed the imperialist arrogance.

As you said, we were able to block the signal early in the morning, in the first 10 minutes. It was a very well coordinated action of our comrades. It was done very calmly. It was very well thought out. I would say that it was rehearsed. We have prepared for this. Evidence of this is that we gave the appropriate response at the right time.

We prepared ourselves based on an electronic assessment of the enemy and we decided which was the first channel we could counteract. [We have considered] other channels. I could say that we are prepared to act on the necessary channels if they change their mind when they see that we can block their signal. Paneque, this can be explained in a simple way. It is nothing more that us putting our signals on top of the hostile signal. This, of course, depends on the power, the altitude of the antenna, the distance from the enemy.

We have to remember that we are poor country but the same miles that separate the United States from Cuba are the ones that separate Cuba from the United States. The same way that the electromagnetic waves travel from the United States to Cuba the Cuban waves travel toward the United States.

We have not announced this a lot. For example, the speech made by the commander in chief, his appearance before the reporters a few days ago, was heard in the United States. I believe that we have shown once more that when Cubans consider things we consider them seriously.

[Paneque] Thank you very much, Comrade Vice Minister Mercedes Carracedo Soto for this interview for Rebelde's "Exclusivo."

Protested at Regional Meeting

FL2803152890 Havana Tele Rebelde Network in Spanish 1200 GMT 28 Mar 90

[Text] Cuba has charged that the start of the anti-Cuban television broadcasts sponsored by the United States is a violation of its national sovereignty. It did this during the eighth executive council of the Latin American and Caribbean Broadcasting Union meeting in Caracas. Benjamin Rodriguez, official of the Cuban Institute of Radio and Telvision, also warned that there is the threat the aggression could widen even more the existing gaps between Cuba and the United States.

Gerardo Estrada, director general of the Mexican Broadcasting Institute, proposed that a resolution condemning

the tele-aggression be issued. The document will be prepared at the closing of the event today.

'Moderation' Prevails in Conflict

PA2803222190 Madrid EFE in Spanish 1833 GMT 28 Mar 90

[Report by Gerardo Gonzalez Vega]

[Text] Havana, 28 Mar (EFE)—Moderation prevails in the main conflict causing a confrontation between the Cuban and U.S. Governments, the so-called TV Marti, judging by the varying reactions in Havana 24 hours after the television testing began.

The TV Marti transmission from a balloon over a U.S. military base on a southern Florida key was interfered with 10 minutes into the beginning of the transmission at dawn on 27 March and eight minutes into the beginning of the transmission at dawn today.

Therefore, the Cuban audience at which this television station supported by the U.S. Government is targeted, has seen nothing more than the stations' test pattern.

It was confirmed in the dawn broadcasts of the past two days that the only thing that has appeared on Cuban television's Channel 13, through which TV Marti is transmitted, are black bars on a gray background while audio could be heard, at first unintelligible, then, rather unbearable.

Because of the transmission times, 0145 (0645 GMT) on 27 March and 0343 (0843 GMT) on 28 March, most Cubans learned about the appearance of TV Marti through the national media.

These media have paid greater attention to the matter. Since this channel emerged as a project, they have claimed that it is television aggression and a violation of the sovereignty of Cuban airwaves.

The population of Havana (2 million), the area targeted for TV Marti's test period, thus far seems to have reacted calmly to this, according to the varying opinions that have been heard.

Communist activists share the official position of exalting nationalism and are supported by the efficiency of interference actions.

Less-politicized citizens feel curiosity and are asking each other whether they have seen anything.

Western diplomatic and journalistic sources accredited to Cuba agree that that the island's government has reacted moderately so far.

They have said that while the station was still a project (initially scheduled to be operational by November 1989), Cuba had threatened to interfere with U.S. airwaves if the project was actually implemented. However, testing has begun and the official Cuban reply has been limited to interfering with the signal and an official Foreign Ministry communique stating that each illegal U.S. action will be matched by a firm and balanced reply.

The Foreign Ministry added that Cuba holds the U.S. Government responsible for all consequences of its arrogant policy and suggested that that country could be trying to create conditions to unleash military aggression.

This is why in its declaration the Cuban Foreign Ministry urges the international community to stop U.S. aggression against Cuba's airwaves to prevent a worsening of the situation that could in turn disturb peace and security.

GRANMA, the official organ of the Communist Party of Cuba, today reported that the U.S. action violates all international communications agreements and is worthy of the Third Reich.

On the other hand, sources close to the U.S. Interests Office (diplomatic representation) in Cuba did not assign much importance to the issue and explained that, for the time being, TV Marti is only conducting tests that do not necessarily lead to permanent operation.

These sources added that TV Marti is a project that was begun during the Ronald Reagan administration that President George Bush has inherited without great enthusiasm, and that the station is mainly supported by some Cuban sectors who reside in Miami, such as the Cuban-American Foundation.

TV Marti is the television expansion of Radio Marti that has been operating since 1985, when Cuba replied by temporarily suspending emigration agreements with the United States, but that has not happened this time.

Radio Marti has been operating since then, and it is referred to as Radio Chance [Radio Casualidad] (I just moved the dial and by chance I heard it, say those who listen to it), but its audiovisual equivalent will apparently not become TV Chance, in view of the interference and other pending issues.

PCC: Signal 'Totally Blocked'

FL2803231390 Mexico City NOTIMEX in Spanish 2153 GMT 28 Mar 90

[Text] Havana, 28 Mar (NOTIMEX)—The U.S. television station TV Marti was totally blocked by Cuba with a jamming signal that cut through the airwaves like a saw, a high-level source in the Central Committee of the Cuban Communist Party [PCC] has told NOTIMEX. The source in the PCC Directorate of Revolutionary Orientation, Jorge Gomez Barata, described the results of the first two days of TV Marti test broadcasts as ridiculous, and said: We are prepared to resist up to the power limit of the U.S. television station.

The war of the airwarves Cuba and the United States have been waging for two days began at 0145 hours

[0645 GMT] on 27 March, when TV Marti broadcasts to Havana came on the air from an aerostat located about 3,000 meters above Cudjoe Key off the Florida peninsula. The source has stated that the Cuban defense apparatus took only 10 minutes to begin operations on the first day of tests but, he added: Today we were more efficient and we succeeded in neutralizing the broadcast in only seven minutes.

The source has denied that the signal was seen in any part of the Cuban capital or in the western region of the country since, he insisted, the broadcasts beamed exclusively toward Cuba were totally blocked. The Cuban strategy of counterattack consists of emitting a jamming signal that is superimposed on the incoming airwaves on the same channel on which they are broadcast, to cut off the useful signal and isolate the video sound like a sawtooth, he explained.

Confusion prevailed on the first day of broadcasts because various sources asserted that the signal was received on several occasions during the morning, and official sources in Washington even said later that the jamming only covered 50 percent of the territory included in the TV Marti broadcasts. The Cuban security system uses a helicopter equipped with television transmitters to cut off the signal with jamming waves on Channel 13 of the Cuban telecommunications spectrum, which is used by the local station Tele Rebelde.

According to Gomez Barata, in the initial days of the war of the airwaves the Cuban counteroffensive has been greatly superior to the weapons shown by the United States, which today raised transmission power to 70 decibels; it is expected that the power will be increased on subsequent days.

The source did not specify how much its jamming apparatus costs Cuba but stated that the U.S. Government has spent more than $100 million to beam the first signal to Cuba. According to semiofficial information from the Cuban Government, the TV Marti signal originates on a military base near Washington, from which it is transmitted to a ground station in Florida from which it is retransmitted to Cuba.

The PCC official insisted that it is not true the signal has already been seen on the outskirts of the Cuban capital or in Havana Province since, he added: The jamming signal succeeded in degrading it by more than 90 percent, which makes it illegible. The Ministries of Communications and the Interior, the PCC, and the Revolutionary Armed Forces are participating in the Cuban defense strategy.

UN Envoy: 'Act of Aggression'

PA2903003790 Madrid EFE in Spanish 2328 GMT 28 Mar 90

[Text] United Nations, 28 Mar (EFE)—Ricardo Alarcon, Cuban Ambassador to the United Nations, said today that the TV Marti test transmissions have been a resounding failure, and that U.S. radio broadcasters have reason to be very, very worried.

The ambassador told a news conference that he informed Security Council President Mohamed Abdulazis Salam [name as received] that the Cuban Government has protested, to all the international telecommunication organizations, the U.S. attempt to beam television programs to Cuba.

This is an act of aggression with hostile intentions of destabilization, and it is also an insult to use the name of a Cuban patriot who was an anti-imperialist, Alarcon added.

He added that TV Marti's transmissions originate from a U.S. naval base and constitute agression because the International Telecommunications Commission has recognized that television channels are the domestic domain of each country.

The transmissions from the United States are made over Channel 13, which is used by Tele Rebelde for its normal broadcasts in Havana Province, the Cuban representative said, adding: Because of its nature and characteristics, this is a very grave issue, and we have every right to respond to this agression with every means at our disposal.

He confirmed that on 27 March he held a lengthy private meeting with U.S. alternate representative Ambassador Alexander Watson and the UN Security Council president, but he said that they only discussed the topic of the UN Observer Group in Central America (ONUCA), the expansion of which was unanimously agreed upon by the council, but with explanations of the vote by the United States and Cuba.

Replying to questions on possible Cuban reprisals in view of the beginning of the TV Marti transmission tests, Alarcon said that measures being considered include interference with transmissions in Florida, which six radio stations have already complained about, and the possible interruption of telecommunications between Cuba and the United States.

He warned that one of the dangers of the measures that Cuba must adopt to frustrate the attempted U.S. television transmissions is that many commercial flights pass over Cuba and the communications between airplanes and control towers would be affected.

He said that no one has been persecuted in Cuba for listening to international radio transmissions, not even Radio Marti, and that this is not the issue, but that Channel 13 is part of the Cuban domain, and no one has the right to use it.

Further on UN Envoy's Comments

FL2903014290 Havana Radio Rebelde Network in Spanish 0020 GMT 29 Mar 90

[Interview with Ambassador to the United Nations Ricardo Alarcon de Quesada by reporter Rosa Rivera at the United Nations in New York on 28 March—recorded]

[Text] [Alarcon] As we have warned for months—and yesterday we informed the secretary general and the president of the Security Council—Cuba rejects these broadcasts because they are a violation of national sovereignty. They are an attempt to usurp part of our radioelectric space which, as everyone knows, belongs to each nation. It is a clear violation of the international telecommunications convention signed in Nairobi in 1982, and also a violation of the charter of organization and all the declarations and resolutions concerned with good, neighborly relations and international cooperation.

We will continue to make it impossible for the signal to reach Cuba. We will make it impossible for part of our territory to be usurped illegally by the United States. At the same time, naturally, we will exercise the right we have to respond in the same way; that is, to transmit towards the United States, since it seems that for the United States there is no law or order in this matter in this region of the globe.

[Rivera] The TV Marti signals come from an aerostat thousands of meters up anchored in the Florida Keys, and transmission of test programs has been scheduled to last 90 days. The budget for the next two years is about $29 million. According to Cuban Ambassador Ricardo Alarcon de Quesada, the broadcasts of yesterday and the day before yesterday could be seen in Cuba only during the first eight to 10 minutes. The jamming is not costly, he said; it costs between $5,000 and $10,000.

Envoy to Yugoslavia Protests

FL2903035190 Havana Television Service in Spanish 0100 GMT 29 Mar 90

[Text] Cuba today officially protested, to Yugoslavia, president of the Nonaligned Movement, the start of television broadcasts from the United States, believing they could be the the first stage in a larger project of attacks aimed at Cuba. During a meeting of Cuban Ambassador [to Yugoslavia] Zoila Rosales with Yugoslav Vice Foreign Minister (Miljov Maxi), she recalled that at the ninth summit of the Nonaligned Movement held in Yugoslavia, those present repudiated the project and described it as a threat to the sovereignty of the movement's members.

Tutweiler Comments Rebutted

PA2903032990 Havana International Service in Spanish 0047 GMT 29 Mar 90

["News magazine" program feature by Vivian Nunez and Manuel Somoza: "What the Cuban Press Has To Say"]

[Text] [Somoza] Today the local media devotes a large part of its space to reflecting the indignation in Cuba at a new type of aggression imposed against the island by the U.S. Government.

[Nunez] There are various opinions and various sectors—ranging from intellectuals to students—that have thus far commented. There is a common denominator: the transmission to this country of a U.S. television signal using one of the local television channels is an inadmissible violation of national sovereignty, something we Cubans protect with very special zeal.

[Somoza] The national radio early this morning reported that the second attempt at transmissions from the U.S. suffered the same fate as the first. The enemy signal was virtually neutralized throughout the coverage area, and the time selected for this second test was again at dawn.

[Nunez] GRANMA maintains that implementing this tele-aggression is further evidence of the triumphalistic spirit that currently prevails in Washington. GRANMA adds that each of the stages of this new U.S. attack will be answered, as has been done, and with much sobriety warns the world that the consequences of this escalation could reach a level of conflict that may go beyond the traditional confrontation between the United States and Cuba.

[Somoza] For example, we have here an editorial commentary published by the official mouthpiece of the Communist Party of Cuba responding to the official declaration by the U.S. State Department regarding the tele-aggression. We will read some excerpts that refer to statements by State Department Spokeswoman Margaret Tutweiler, who was forced to do some verbal acrobatics yesterday when she maintained that the television transmissions—sent from an airship over a Yankee military base south of Florida—beamed to the Cuban audience through the usurpation of a channel administered by the Cuban Government, are within the UN Charter. Mrs. Tutweiler found time in her argument to scold Cuban authorities who dared interfere with the signal 23 minutes after the transmission had begun. With less than feminine manners, GRANMA adds, she said the Cuban interference caused significant deterioration of the audio and also of reception of the image. In the usual sibylline tone, she deplored that Cuba has refused to permit the free flow of information and ideas, no more, no less.

[Nunez] The GRANMA editorial commentary adds that according to Mrs. Tutweiler, no international agreement or regulation prevents a state from transmitting television programs to another state. She did not clarify

whether her government perceives that this can be done whenever, and in the manner that, the government wants—with technological resources, military power, and money, in this case U.S. taxpayers' funds—that is, like a beast, without consulting the other state, or against its will. This would be the same fate suffered by all Third World countries if the United States is able to impose its hegemony.

For the spokeswoman, GRANMA adds, her government is exempted from the obligations established in the Agreements and Accords of Nairobi signed in 1982. Nor is she concerned about the various UN and UNESCO declarations, not to mention the Nonaligned Movement. The reiterated resolutions issued by various specialized forums that have condemned the Anti-Cuban television plan since it was disclosed, or the unmistakable statements by well-known personalities in the United States are not deemed worthy of consideration either, GRANMA says.

[Somoza] GRANMA further adds that as in the famous passage from "One Hundred YearS of Solitude" [Gabriel Garcia Marquez novel] referring to the banana workers' strike and the thousands of workers killed whose deaths were never reported by the news agencies, by the same logic—although it is very unlikely that the U.S. spokeswoman is familiar with the immortal work of Garcia Marquez—all existing and possible reasonings and arguments are erased with the stroke of a pen. Then, the truth of the empire is established. Then, with great kindness Mrs. Tutweiler shows that this is not the usurpation of a local Cuban television channel because the U.S. transmissions take place at dawn, when Cuban television channels are off the air. Again, the U.S. spokeswoman is being naive. The U.S. Government also claims the right to establish the doctrine on tele-aggression and under which conditions this would be illegal. Her own innocence fails.

[Nunez] GRANMA ironically says it is understandable that the U.S. spokeswoman believes she has done her duty by scolding us for daring to foil the debut. It further adds that it was useless to appear on the screen with no previous notice. Once again, another U.S. Administration—for the ninth time—makes a clumsy error in calculation, this time in the determination to resist and win, mixed with the intelligence, audacity, and creativity of our engineers and technicians, most of whom were formed by the revolution. We have no alternative but to say that we agree with THE NEW YORK TIMES, which on 24 March, referring to the anti-Cuban project, said: What could have been a good idea is giving worrisome signs of becoming a failure. Indeed it is, except that it was never a good idea but instead, just more clumsiness, the editorial commentary points out.

[Somoza] Listening to Mrs. Tutweiler makes it difficult to resist the temptation to see in her performance—beyond the falseness and cynicism—a symbol of the bicentenary society for which she is speaking. The U.S. is already what Marti envisaged: a sick society, marked by its misery, paradoxes, and contradictions. Giving another sense to the title of a memorable French film, the U.S. can be seen as a lady who has lost all virtue long before reaching old age, an unworthy old woman, the GRANMA editorial concludes.

GRANMA Publishes Editorial

FL2903123790 Havana Tele Rebelde Network in Spanish 1200 GMT 29 Mar 90

[Report on GRANMA editorial published on its front page on 29 March: "An Electronic Giron"]

[Text] U.S. arrogance was humbled once more as happened to Goliath, who was stoned by the biblical David. Not even an almost fictional technology, nothing has been too much for the ingenuity and creativity of native technicians. Later on GRANMA adds: It is not a stand against foreign television in general but the appropriate reaction to an unacceptable violation of the national sovereignty. [Passage indistinct] The United States can hate Cuba; what the United States cannot do is humiliate Cuba.

Elsewhere, the GRANMA editorial states that when they thought the nation was asleep the combatants of this invisible borderland were at their posts determined to abort a freak creature that cost the United States years of machinations and tens of millions of dollars.

The text ends by saying: The intention of imposing on us a Platt Amendment in the [word indistinct] 72 hours later is already an electronic Giron.

Foreign Reaction Noted

FL2903135590 Havana Tele Rebelde Network in Spanish 1200 GMT 29 Mar 90

[Text] In Caracas, the 13th Executive Council of the Latin American and Caribbean Broadcasting Union, ULCRA, has condemned the U.S. television transmissions against Cuba. The ULCRA, which ended three days of meetings in the Venezuelan capital, sent the resolution to UNESCO and to the International Telecommunications Union.

Meanwhile, the main newspapers of Nicaragua, Colombia, Venezuela, and Uruguay condemn the anti-Cuban tele-aggression.

In Europe, the British daily THE INDEPENDENT commented that U.S. President George Bush opted for the television wave assault because it did not have justification to militarily invade our country. Also, the FINANCIAL TIMES says the war of the waves is one of the last fronts of the cold war.

Czechoslovak daily RUDE PRAVO stated that the Cuban authorities have used all the possible diplomatic routes to dissuade the U.S. administration. Bulgarian newspaper RABOTNICHESKO DELO noted that the start of operation of the anti-Cuban television could

have unpredictable consequences. For its part, the Vietnamese newspaper NHAN DAN said the United States should put an end to this form of hostility against Cuba.

In Venezuela, 300 personalities signed a statement criticizing Washington for using Jose Marti's name for its tele-aggression.

In Tehran, Mehdi Karrubi, spokesman for the Iranian Government, condemned the U.S. electronic propaganda against Cuba and called it an aggression against Cuban sovereignty. The spokesman met with Isidro Contreras, our country's outgoing ambassador to Iran.

The United Federation of Venezuelan Workers also expressed its strong rejection of the U.S. initiative against Cuba.

Workers Now in Czechoslovakia To Be Repatriated

AU2703135090 Paris AFP in English 1336 GMT 27 Mar 90

[Text] Prague, March 27 (AFP)—The Cuban Government has decided to repatriate the 5,300 Cuban workers in Czechoslovakia before the end of the year, an official said here Tuesday [27 March].

Cubans have been coming to work in Czechoslovakia under a 1978 agreement between the two countries, and the last batch of 5,300 arrived in November for the traditional four-year stay.

Some 1,000 of them have already left for home, and the others will follow "in the next few months," a labour ministry official responsible for foreign workers said.

The move away from communist rule here late last year was followed by a marked cooling in Czechoslovak-Cuban relations.

Castro Speech in Sao Paulo on 17 March

PA2703145590 Havana Cubavision Television in Spanish 0330 GMT 25 Mar 90

[Speech by President Fidel Castro in Sao Paulo, Brazil, on 17 March—recorded]

[Text] Dear friends of the Presidency, dear guests, dear friends of Sao Paulo. Many subjects could be approached here, but time is short. For this reason, I will try to be brief, although I do not always succeed. [Audience laughs] This morning, I recalled the first news I had of the Latin American Memorial Building. It was on the occasion of Governor Cuarcia's first visit to our country. He and I met and talked a number of times and established good communication, which has withstood the test of time, regardless of political ideas of one kind or another. We did not talk much on economic and social concepts. We discovered, however, that Brazil and Cuba; Sao Paulo and Cuba; the people of Latin America, Brazil, and Cuba have many things in common. We talked of many subjects. There are goverr ment tasks that go beyond the narrow framework of political or philosophical concepts, such as the phenomena of development and problems like those mentioned by Daniel [Ortega], the huge foreign debt —in Brazil this is to be added to its large internal debt—the various ways in which our countries are looted, things are imposed on us, and others try to control and indoctrinate us.

These are real problems that Latin American and Third World countries have to deal with regardless of political ideologies. For instance, education is a need of every country and a topic which Latin American leaders can talk about at length and share experiences. Then there is also health, so vital for our people, about which we can talk, reach a consensus, exchange experiences, and do many things. And on and on. There are many tasks and activities that the Sao Paulo governor and I discussed in our country. I pointed out to him some of my recent experiences, such as a new health institution recently created in Cuba, the family doctor. From my viewpoint, this is one of the greatest innovations in the field of health. Our country had the privilege of taking the initiative. Some time later I had the pleasure of learning that this method was being tried out in Sao Paulo. A number of consulting rooms had been built around the family doctor concept in a way very similar to that used in our country. On my way to the airport, or at any other time, I would like to visit one of these family doctors' consulting rooms.

I think Sao Paulo's heat is tremendous. It can dry even one's tongue. Anyhow, this is a good example of how one country's experience can be useful to others. I am very interested in knowing how that experiment has worked here. In our country we started with ten doctors five years, six years, ago. Now we have 10,000 doctors in that program.

This shows that there are infinite ways in which our countries can cooperate with each other.

He told me much about the monument that is being built. He hold me about its general characteristics, who is working on it, and that architectural work is being done by [Brazilian architect Oscar] Niemeyer. I do not know how you pronounce his name, or how he would like to hear it pronounced. I heard somebody call him Niemeyer a while ago. Is that right? Yes? All my life I called him Niemeyer. I do not know why. Maybe I have been mispronouncing the 'e' or the 'a.'

He spoke to me quite a bit. Not only that, he honored me by inviting me to the dedication of the memorial. The invitation pleased me very much. Diplomatic relations had been reestablished, but relations were not at a level such that the governor of Sao Paulo and myself could arrange for a trip to Sao Paulo. I simply could not travel to Sao Paulo without traveling to Brasilia, not Brasilia, to Brazil. [applause] We were unable to put everything together for me to be able to go to the dedication.

He had another good idea, an idea that I encouraged—that as many Latin American leaders as possible would

be invited to the dedication and that the dedication would be turned into a meeting, all in connection with what this work symbolizes and with the objectives of rapprochement, interchanges, unity, and Latin American integration of this work. Everyone shares this idea, everyone agrees, in general terms, with this idea, although some of us support this idea with more conviction and intensity than others.

I have attended several meeting in connection with presidential inaugurations over the past two years. I have always found it strange that the chiefs of state of Latin America never meet. I have often wondered: Why do they not meet? As a result of our relations with Africa, we have gained some experience and we have seen that the African states, the African leaders, meet at least twice a year. The leaders of Europe meet almost every month. The only ones who never meet are the Latin American leaders. [applause]

Latin Americans, unfortunately—and this is a historical fact—have only met when we are convened in Washington or are convened by the United States. That is the historic reality. It is enough that a U.S. President beckons with a finger and everyone leaves for Washington, even if it is an impromptu meeting. Latin Americans do not know about meeting. I have told this to many presidents: Why do we not meet if we have many serious problems and common problems to resolve? Why do we not meet to discuss the debt? Not even the debt, which is a veritable disaster, has been worthy of promoting a meeting of Latin American presidents.

Not even the need for a new international economic order, the need to put an end to the looting of our countries, has been worthy of making us meet. Meetings are held in groups of five or six, and the rest are excluded. The Cartagena Group, the Group of Eight, meet yet no one dares to say: All of you come, let us all meet just as we meet at the United Nations or as we meet at the Nonaligned Movement. We have always struggled for that and I have raised these problems. I know that we do not meet because, unfortunately for decades, despite being almost neighbors, we have had the habit of submission and obedience. [applause] The one who does not want us ever to meet is the United States. We have not been able to evade that complex. We have not known how to be daring; despite the fact that we dare to do more each time, we still have not dared even to meet. In the past we have seen our faces at these government inauguration ceremonies. It has been useful, but in none of the cases, not even for two hours, has there been a meeting among all. Yet we speak of integration; we speak of unity. We are far from reaching those objectives if we do not even start by meeting. I saw that intention, that objective; I even saw that possibility, that perhaps the inauguration of this institution, this memorial which is so symbolic, could be the reason to have a meeting of this kind so we could begin to speak in collective terms, in economic terms, and in political terms.

These are the things that I remember of those talks. This project elicited great interest. Following a line that is independent of political conceptions and stemming from these common interests, we made the trip to Brazil. The governor more than once reminded us, spoke of the invitation, and expressed his desire that we visit Sao Paulo. In Rio de Janeiro they also expressed the desire that we go there to take advantage of our trip. I had something of a doubt as to whether it was reasonable or prudent to spend three more days to honor those invitations. I maintain the criterion that one must always leave one minute before and not one minute after.

It is always better to leave early and not to tire, not to bore, and not to give the impression that we are planning an endless trip. This kind of trip always creates work, trouble, and concern. However, we assessed the situation and asked the opinion of Cubans, Brazilians, and friends, who told me this is normal. It is considered normal that whoever makes this kind of visit also visits these two states, which are the most important and are very representative of the country. Therefore, extending the visit to attend the invitations would not be seen at all as abnormal. This is why we have had the privilege of visiting Sao Paulo.

This is not the first time we have visited Sao Paulo; a long time ago, when I was a newborn, in 1959 [crowd laughs] and the Revolution was not even three months old, and even though we believed we were very revolutionary—we were like raw material, knew absolutely nothing—and the worse part is that we thought we knew so much about everything. However, during a lightning trip we made through various countries, we visited the United States and Canada. Later we came to Brasilia which was then being built, it was almost finished. I became familiar with the outstanding works by Niemeyer. At that time, the city was very small, it is not what exists now. Later, we made a brief stopover here. We continued our trip to Brazil, we had to attend a meeting, and we stayed for a few days. Later, we came back and made a stopover in Rio de Janeiro before returning to Cuba.

Now, 31 years later, I am here again. I think I can appreciate everything better, reflect more, take advantage of every minute of my stay here in this country. It is said that experience is something that you lack when you need it and that you have when you do not need it. I will take this opportunity when experience may perhaps be useful. I must say that I am very impressed with the memorial, it is an extraordinary work, and I can also see that it is gaining more prestige in Brazil and around world. We also had the opportunity to see the library, the historical room, I do not know what specific name you give to it—it is like a cathedral—and the creations room. In a very brief period of time and surrounded by friendly journalists, we have been able to see some things, sign some books, and also feel committed to helping with the festival. I was told that they acquired some of the books in Mexico and in various other places, and that they are interested in a good collection on Cuba, with material

that can be used for research on Cuba. I told them that there is no need to buy them, because it is our duty, a pleasure, and an honor for us to donate to the library the section that corresponds with Cuba. [applause]

In addition, we intend to donate all of the Cuban music you want. We will always be willing to cooperate in this wonderful cultural work. We will send groups of artists, such as the National Ballet, whenever you make the request. We sincerely feel part of this institution and feel our duty to cooperate with it. On this occasion, it so happens that the change of government and our visit to the country coincides with the first anniversary and the very kind honor you bestowed upon a man who has spent nearly all his life doing one of the most humane things that can be done at the present time. This award and recognition was given to this personality known not only in Brazil but throughout the world, [Orlando] Villaboa [Brazilian expert on Indian affairs].

I pondered all this but I could not understand what was going on, perhaps because of the microphone and the position of the loudspeakers. I hope to be able to read the speech later because I think he was saying some magnificent things. I thought about the humanity of his work. Why has his work become something so humane? Because he fought all his life to save what was left from annihilation. This extermination began nearly 500 years ago when they discovered us—as if we were objects to be discovered; as if someone really discovered us; as if we had been discovered by injustice, the spirit of conquest, the spirit of looting, the spirit of oppression our peoples have experienced for nearly 500 years.

Abuses, crimes, looting occurred for centuries. Indians were enslaved. They were exterminated in many places. They were exploited for centuries. Why am I so deeply concerned about the apology some people want to make for the conquest, enslavement, and colonialism? Because such an apology is not accompanied by a historical self-criticism of all that happened. There cannot be an apology and a commemoration of the fifth centennial without profound self-criticism, not only for historic, but even practical reasons related to our lives. There are some people today who look at us in the same manner that the conquerors looked at the Indians. And these people want to conquer and colonize us again. In fact they have been colonizing us.

I have sometimes wondered, if new conquerors came again, conquered us, enslaved us, exterminated a number of those who today live here in this hemisphere, raped the women, and committed all of the horrors that the old conquerors perpetrated, would our descendants in 500 years commemorate the half millenium of the new conquest.

I cannot conceive of this in my mind. This has been our position on this subject. I have said this stand of ours has cost us more than one headache in our international relations because of the effect our views have on those who are extremely sensitive to a critical opinion on the significance of the conquest.

Not only the Brazilian Indians need protection and a Villaboa capable of understanding and protecting them. The Indians of today need to be understood and helped. We do not want to be the Indians of today, but if we do not unite, if we do not cooperate with each other, if we do not integrate, if we do not reach political unity in the future, we will be the Indians of today's world.

This can be demonstrated mathematically. Our nations have no future without integration. Even a big country like Brazil, with a territory of 8.5 million sq km and significant industrial development, needs the support and the integration of the rest of Latin America.

We need each other, without exception. [applause] Small countries, of course, need integration more than the large ones. I ask you: What will be the fate of a balkanized continent in the world today and in the near future? What chance of survival will it have? What will its economic chances be if the countries are isolated and each country depends only on its own strength?

Daniel [Ortega] explained how they [the industrialized countries] discuss the debt issue with each country. They get together at the IMF, at the World Bank, at the Paris Club, but when it comes down to us, they demand to speak with each of us separately. They have formed a powerful consortium to discuss economic problems with each of our countries. They force our people to accept conditions, the worst kind of conditions.

This is the strategy they have implemented and are implementing. Their economies continue improving. Why? Because when the value of the dollar drops, the yen, the lira, the Spanish peseta, the British pound, the Deutsch Mark, and the franc, everybody rushes to support the dollar.

The developed and powerful economies sustain and help each other. However, when the value of the cruzado, or the austral, or the boliviano, or the Colombian peso drops, no one helps. No bank from any other country deposits millions to save a country from inflation.

What is at the end of this kind of road? We have become exporters of capital. At this point, we are just as we were at the time of the conquest, when our gold and silver mines were exploited and the gold and the silver that made possible the development of the industrialized world was taken away. Who are the industrialized countries? The former colonial metropolises. From where did they obtain the resources? From our countries.

The resources were in the form of minerals or plantations. We made them rich and now they are very rich.

They continue to exploit us in a thousand different ways. If a mathematician begins to figure out what they are stealing from us today in various ways, through profiteering or unfair trade, by virtue of which they buy our products at lower and lower prices and sell us their

knicknacks at increasingly higher prices [applause] with the protectionist measures, the duties, quotas, in thousands of ways—the Brazilians know it, the Latin Americans know it very well—they take our money. They take it in such a way that the capital flight is invisible. It is a situation of chronic inflation in each of the economies of Latin America. The lowest annual inflation rate is 18 to 20 percent and the highest is 3,500 percent annually. Many economies have a 500, 700, 1,000, 1,500-percent annual inflation rate. How can there be economic stability? How can capital be retained? Whoever has money in his country runs desperately to convert it to dollars to protect it, because the dollar is protected. Money escapes from the country. If measures are taken to keep that money, by paying high interest, then the money is not invested in factories. The money that escapes is not invested in factories but in speculative ventures, not in production. [applause]

So, when one speaks of unity and integration, one is speaking of questions that are vital for the future of our countries. I said that if a mathematician figures out what was taken from here during the time of the conquest, from the colony, for a century, it could be demonstrated today that each year the former metropolises take from us as much as they used to in an entire century. One only has to figure it out. Before they took tons of gold, tons of gold [repeats himself], when they took 10 or 20 tons of gold and crossed the seas pursued by pirates, organized in fleets, they took 10 million [denomination not given] in gold. That is a fabulous sum. Nevertheless, that is more or less what the price of gold is. It fluctuates, but, explained briefly, it is around 10 million. I do not know whether it amounts to 10 million dollars at this time. So, when they take 1 billion, they are taking 100 tons of gold. When they take 10 billion, they are taking 1,000 tons of gold.

When we have a net loss of $30 billion as the result of our exports, this means that they are taking away from us, depriving us of the equivalent of 3,000 tons of gold every year, the result of our effort, work, and sweat; the sweat of hundreds of millions of Latin Americans. I do not think all the gold produced in the world, including that produced by South Africa, the Soviet Union, and Brazil, amounts to 1,000 tons. The entire production amounts to only several hundred tons. We have a net extraction—I am not including the capital flight—of 3,000 tons of gold every year. This looting is much bigger than it was in the times of the colonies. We are again financing the development of the rich developed countries. In the future, they will be super rich to the same extent that we become poorer and poorer. I am not uttering slogans. If you care to look up the reports and statistics published by international financial institutions, such as the World Bank, the IMF, and other UN institutions, the management of which we understand. If you read the WHO or UNICEF reports, you will see horrific figures. I will not give many figures, but here is an example: A total of 700,000 children die every year in our hemisphere, all of whom could have been saved. But there are no medicines or doctors to save them or vaccines to protect them. [applause]

This was explained to me personally with these words: If the other Latin American countries had Cuba's health care, 700,000 children would be saved every year—every year. [Applause] If nutrition, housing, and general health indices are examined—after all, we are speaking of those who die—we would find a dreadful figure. Approximately 85 of every 1,000 children born alive die between birth and five years of age. To those who do not die during the first year, we have to add those who die in the second, third, fourth year, etc. We also would have to add the terrible consequences of malnutrition in many instances. Under what conditions will they grow up and what kind of intelligence will they develop if they do not receive the necessary nourishment? This figure, far from improving, worsens. The sad thing is that this figure is worsening.

This is the world that they want to give us Latin Americans. I think we should become aware. I debated with journalists at one time and told them: Why do we not think of the essence of the problems. We are terribly exploited and disinformed. I am appalled by the prevailing ignorance about many problems. Because of the questions we are asked about Cuba, I realize there is a tremendous ignorance. I see this in the journalists' questions. I am forced to speak and explain. I often encourage them to go deeper into the real problems. I tell them not to let themselves be carried away by the propaganda of the empire, of those who loot us. I tell them not to let themselves be deceived, not to let themselves be confused, not to play along with them.

Many friends have told us: You must give more information about what is happening in Cuba. I tell them: Yes, we want to do that, but how? There are very powerful news agencies, the mass media. They control billions of dollars annually. They are the ones who inform the world. Meanwhile, the world does not know what is happening in our countries. It hurts to see how they disinform and lie in this era of communication. It is so because the mass media is in their [the United States'] hands. [applause] It is difficult to know the truth.

These are facts. They also try to separate us, to divide us. This is the best way for them to subjugate and exploit us. They are trying to turn us into the tribes that the conquistadores found here. It is easier to dominate our people that way. These are facts. I would like to talk to you about Cuba, but it is not necessary. I have talked with many journalists. I do not know how many questions I have answered. Please forgive me if I have failed to tell you more about Cuba. Please allow me to tell you that Cuba stands firm, that Cuba will not bend as easily as the United States, encouraged by events in East Europe, believes. The United States ignores that there is a true revolution in our country, a revolution we did not import, but that we created ourselves. The same way we created it, we have been defending it for 30 years, close

to the world's most powerful country, a country that has imposed a blockade on us and has harassed us. This is a revolution that has produced profound patriotic awareness; a firm revolutionary spirit; a fighting and aware people; a united, organized, trained, and armed people who will not be easily grabbed with just one hand, like one cannot grab a beehive with one hand. [applause]

Our revolution is not built with cards and held together with meringue. It is made of steel. Therefore they will have to forget the illusions they have come to feed us because some countries have become allies of the empire as a result of difficulties of one nature or another, as a result of economic difficulties.

We are preparing our country to resist under any circumstances, any. Even if special peacetime situations emerge. The effort our nation is making is designed for that.

This is what I wanted to tell you about Cuba. I also want to tell you: Trust in Cuba. Cuba is defending not just its own sovereignty. In that trench we are defending, as we see it, the interests of the other people of Latin America. [applause]

A few days before dying in combat, Jose Marti wrote a letter to a friend of his. The letter contained an extraordinary thought. The letter said: Everything had to be done quietly. The following is not his exact words, but the essence of the idea: Everything I have done up to now, and everything I will do, has been designed to secure the independence of Cuba—the Cuba that the yankees wanted to grab—to keep the United States from acquiring this additional strength, therefore preventing it from jumping on the nations of America.

We know we are defending a just idea, a just cause. We know we are defending our Latin American brothers. If they were to smash the Cuban trench, they would be emboldened without limits.

They have waged a dirty war against Nicaragua. That war produced thousands of Nicaraguan dead. They imposed terrible conditions on Nicaragua to prevent its revolutionary process. They ruined Nicaragua's economy and imposed all kinds of sacrifices on the Nicaraguan people. The Nicaraguans had to accept the challenge of the election process.

Since they are capable of doing this today, of invading Panama, of establishing a blockade against Colombia, of sending soldiers everywhere to establish domestic order, we can realize that a defeat of our country would be terribly harmful to the other nations of Latin America and the Third World.

We have intense relations with the Third World. As they [the United States] have isolated us, even from Latin America, we have developed relations with other nations from other continents, those of Africa, for example.

There, hundreds of thousands of our fellow countrymen served internationalist missions. They struggled against foreign invasions, against the South African troops who represented apartheid. We struggled at the side of our Angolan brothers, people who speak the same language as Brazil, people who love Brazil very much. We were there almost 15 years, without hesitation. We were there until our objectives were achieved. The independence of Angola was secured, the independence of Namibia was guaranteed, and an irreversible process, that in our opinion will lead to the elimination of apartheid in South Africa, began. [applause]

I can tell you, comrades and friends, that I am sure that you are concerned about our country. Recently, the president of Venezuela and the prime minister of Spain told me they are concerned. They even said so publicly. We have said fatherland or death. They have said that Cuba's strategy must not be resistance. They speak of Sagunto and Numancia, of holocaust. A Spaniard asked me a question about this and I asked him where was he from. Then I asked him how many people had died defending Zaragoza as a result of an invasion of Spain. I asked him: How many people died in your war of independence? I told him: At that time, you did not think about Sagunto or Numancia. You prepared to defend your fatherland at all costs and this is why you were able to defeat the Napoleonic invasion.

They cannot come to talk about Sagunto or Numantia to us. First, because we would rather die than to be slaves, than to be dominated by the United States again. [applause] And second, because we are not going to cease to exist. If they attack us, we are so prepared that we will make the attackers pay such a high price that we will be able not only to resist, but also to win. [applause]

Thank you, Governor Cuarcia, Niemeyer—Niemeyer once and for all. Thank you, (Maure Garcirive). Thank you Professor Villaboa. Thank you all. Thank you, guests, not only for this pleasant moment filled with emotion that you allowed us to enjoy today, but also for your patience in listening to me. [lengthy applause, shouts of "Fidel"]

Castro, Vazquez Rana News Conference on Games

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["Part" of a news conference by Pan-American Sports Organization, PASO, President Mario Vazquez Rana and President Fidel Castro in Havana on 25 March—recorded]

[Text] [Vazquez Rana] My visit here in Havana yesterday and today was to look over the sports facilities that will be used for the Games. The day before yesterday in the afternoon we looked over the tennis facilities; we carried out an extensive examination of all the other facilities, and I want to inform you that as the president of PASO I am very satisfied with the progress of the construction work. I can definitely assure you that these games will be in line with what has been planned,

simple but well-organized games, and probably...[rephrases] I am confident that they will be some of the best Pan-American Games in history.

[Reporter] An ASSOCIATED PRESS dispatch a week ago that was disseminated throughout the world said, among other things, that the construction work is not on schedule, mainly because its financing depends on what the television stations may or may not pay. We would like to know your opinion on this, and especially if a country in the condition Cuba is in can afford to carry out this plan for such enormous facilities depending on what television pays.

[Vazquez Rana] The television rights are no more than an aid in organizing games like these. The country that takes upon itself the commitment to organize these games must definitely have planned for the expenses the games will incur, and not expect television marketing or rights to be the fundamental basis for organizing such games. Yesterday we commented on this issue. We are sure they will be held with television, but I am leaving very satisfied under this heading, because these games will go forward with or without television rights.

[Castro] The income from television is a small part of the total hard currency—since the words hard currency were mentioned—the total hard currency for the Pan-American Games. I should say that they will only cover the cost of the television equipment, and really, we need that equipment for the development of our own television. Here I am including funds that normally must be spent, and television is something that also must be made a priority under any circumstances, because it is a mass means of communication that is very important for information, education, culture, etc. So although these problems may perhaps be solved, the damage that could be caused by depriving Cuba of the rights or possibilities of income from television is not decisive.

[Reporter] You yourself have spoken about the economic difficulties the country is facing, and that this situation may worsen in the near future depending on the international situation. I would like to ask if under these conditions, and with these difficulties, the country can afford to hold games that may cost about $40 million, which is a lot considering the rather low level of hard currency the country has.

[Castro] I have talked about foreseeable difficulties that could arise if certain premises come about, and we have said that we must be prepared for this, to handle these difficulties. But I have also said that under no circumstances will the country interrupt its development, and the basic programs will go forward in various fields. We have made the facilities for the Pan-American Games a priority activity. These are not just games; you should not confuse the word "game" with "extravagance." So if some of those premises came about, or some of those circumstances limited our economic resources, these facilities would still be built because it is a commitment, because it is an activity that helps some economic activities not directly related to the Pan-American Games. The circumstances would have to be truly exceptional—very exceptional, very abnormal—for us to halt these construction works. Very exceptional and very abnormal. [repeats]

[Reporter] Mr. Vazquez Rana, in the [words indistinct] assembly, we asked you if the organization had planned to mark its 40th anniversary here during the 1991 games. You said that you had not yet thought about it. Since you have now confirmed your conviction that Havana will organize historic games, my question is, what will PASO contribute to these games regarding its 40th anniversary?

[Vazquez Rana] The idea of marking PASO's anniversary here remains firm. I will tell you in advance that I have had many requests to hold the next meeting of the Executive Committee here in Havana although it is not mandated by statutes to do so. The members of the PASO have requested that the meeting be held here in Havana. The meeting may be held in July. That is where we will finalize details on the celebration of the PASO anniversary.

[Jorge Alvarez of PRENSA LATINA] Comrade Commander in Chief, if the Pan-American Games were not held in Havana in 1991, would all this construction have been done in eastern Havana?

[Castro] You know that all of us who love sports need excuses to build sports installations. In this way neither Conrado, Fernandez [not further identified], nor I could pass up this opportunity.

Many people think that social projects are antieconomic projects. I do not feel that way. Some people think that a polyclinic is a social project. Some people think that housing or hospitals are social projects. I do not think that construction can have any other purpose than being a social project. I do not think that it can do anything but benefit the people. It seems that the concept of the economy as something that exists on its own, exclusively for itself, does not correspond with our concept of production, with our concept of society.

I have defended sports installations. I have been defending them from technocrats for more than 30 years. In fact, these technocrats were sedentary men who never played sports in their lives. They never even thought about physical exercise in their entire lives. They were allergic to sports. That is why technocrats are so dangerous. I have been fighting against their views for 30 years.

Everyone knows that I have been the number-one supporter of schools in this country, and also the main supporter of the concept of the rural school [pounds table seven times] and the program for the construction of schools which has rendered so much service to this nation. Everyone knows that I support hospital installations, medical programs, polyclinics, scientific research for medicine. I have supported the programs for housing

construction, the organization of minibrigades, maximum use of an excellent work force in construction. I have defended social projects from the technocrats. Everyone knows the significance of this, the significance, in every sense, of social projects for the country.

Sports is also a social project. [Words indistinct] in one way or another the construction of that stadium. I remember when we began to build the Cienfuegos stadium with the help of the defense committees. [pounds table four times] Everywhere, in one way or another, I have observed the construction. Sometimes I found that the construction had not been finished, such as the Pinar del Rio polyvalent. The columns had been standing there for years. I asked the workers what they needed; what materials, steel, lumber they needed. I asked them if they were committed to finishing the project.

In this regard, the Pan-American Games are a good excuse and an ally because of their importance as a common activity for Latin American countries, because of the importance of a commitment of that nature which was the focus of a struggle for many years. It is a privilege, a privilege [repeats himself]. It is an opportunity of which we feel we are worthy because of all those things mentioned in the report that we have done in our country. We are more worthy than any other country in the Third World.

You then ask me if we would have built these if the games were not held here. One could also ask if we would have built the botanical center. You cannot imagine how I fought for the botanical center and for how many years. We never had the money for it when the technocrats wrote the budget. When they made plans, they would not include the botanical center. I was the modest advocate of the botanical center, always looking for a little money, resources to build it. That is how the botanical center was built.

I was the advocate of Lenin Park. At that time we also did not have resources for it but we built it anyway. It was done more quickly.

I was the advocate of Havana's new zoological park. It is in the (Capte Vida) area. I fought for years to have it built little by little. I fought for a small budget, for a few resources, for a brigade to build it, for equipment.

I was the advocate for the aquarium. You see that the aquarium is under construction. Construction has now begun. Of course, an aquarium is good for tourism and tourism is a priority. Tourism is the aquarium's partner. In addition, hundreds of thousands, more than a million people will enjoy the aquarium. Hundreds of thousands of children in this country will enjoy the aquarium.

I am now advocate of the metropolitan park. I am the advocate of many things the technocrats would like us never to discuss. Because of this, our city now has one of the best botanical centers in the world. It will have one of the best zoos. It has Lenin Park, which is a vital part of the city.

To give you another example, I advocated Expo Cuba. I fought for this, too. Expo Cuba had its critics. It had its expenses, but now it has begun to make money. This year it earned an important amount of income holding international fairs. Tens of thousands of people go there every week, especially on weekends. That implied a [word indistinct] there.

I want you to know that I advocated all of this [pounds table six times] despite the technocrats. If it were up to the technocrats, there would not be any zoo, botanical center, aquarium, metropolitan park, Lenin Park, Expo Cuba, or the.... [changes thought] I was going to say zoo but I can say that the technocrats are a kind of zoo animal. [laughter] None of this matters to them. None of this exists to them. Beauty does not exist to them. A theater is inconsequential.

I have advocated the reconstruction of the famous theater. What is it called? [Unidentified man answers: "It is called the Mayor Roldan."] It is called the Mayor Roldan. I have fought for [words indistinct] with resources. In that regard [words indistinct] I can tell you that I welcomed the excuse of the Pan-American Games to be the advocate of these installations.

Would these installations have been built otherwise? I can tell you that sooner or later, we would have built them [pounds table five times] because we were always concerned about this social sector. There is no doubt, however, that the fact Cuba was selected to host the games was a decisive factor in the present construction of these installations in eastern Havana. It is the truth. Being a [words indistinct], I confess as an advocate that I would not have been able to conceive this.

[Reporter] Commander....

[Unidentified speaker, interrupting] [Words indistinct]. [laughter]

[Reporter] No, I would like to discuss, if possible....

[Castro] [Words indistinct].

[Reporter] I would like to discuss the quality of the projects from a technical viewpoint, especially the velodrome.

[Castro] We have been paying attention to this. Almost every day, we ask how the velodrome is going. The velodrome is the most complex project. It cannot be a millimeter larger than specified. It has all the means and resources it needs. It is the pride and joy of the Pan-American Games construction projects.

I ask everyone numerous questions about the projects and they are all confident about the quality of the construction. This effort would not make any sense without quality.

We have recently seen projects that have been finished. The Juan Manuel Marquez Hospital was built with impressive quality. The Miguel Henriquez Hospital was

also built with impressive quality. Quality is one of the characteristics of the projects we are currently constructing because we have established quality as an essential factor, a primary factor. Quality is as important as rapid construction. The construction and salary systems used to conspire against quality, and now they help quality. We are building a five-star hotel next to the Riviera Hotel. Those projects cannot be built without quality. I would say that we have to struggle to build the Pan-American Games with five-star quality and we can do it quite well.

Many of the people who built the best projects.... [changes thought] Last night, I met with Mendizable, who expanded the hospital that is near the Sports Palace. [Unidentified speakers say: "The Albarran."] It is near the Albarran Hospital. He was the architect who directed the project. He directed the pool projects. The construction workers are the ones who built the Miguel Henriquez Hospital. They know what they are doing. They are excellent construction workers. The engineers, technicians, and specialists, [pounds table five times] are on-site guaranteeing the quality of the projects.

That is what I can tell you. That is what I know and hope. I cannot give you my personal testimony that I have seen this and have observed the good quality. I can only tell you about the conditions that have been created to make sure the projects are of good quality.

[Hugo Biel of Radio Habana Cuba] People have spoken about professionalism and the commercialization of sports as a necessary evil. My question is: Do you think this applies to Cuba?

[Castro] I have an opinion about this. This is not Cuba's situation. I was listening to what Vazquez Rana said. In some measure, because of some factors, resources for sports can be obtained this way but I think it is up to the states to find resources for sports, just as they do for education and health.

Like I have said before, I defend the [word indistinct] in sports. I, personally, do not like professionalism. I greatly admire our athletes who, in certain sports, would be very valuable in the sports market. Those humble compatriots dedicate themselves to sports as a healthy activity, not as a commercial activity. That pleases me very much. It does not escape me that our athletes, our sportsmen, have become professionals. I think that the world should find another way to handle this. I think that everyone should find resources to help the athletes. The resources that Vazquez Rana spoke about are very limited for the development of sports. That is why I think that everyone should help sports, find ways of assisting it. I think that the United Nations should help the sports sector, just like the United Nations helps children and culture. It has several organizations for this. It helps international health programs. It helps industrial development. Every year, $200-$300 million should be available worldwide for the development of sports. In countries with fewer resources, which have the vast majority of the world's population, institutions like the PASO and others make great efforts but they do not have this kind of money available.

Vazquez Rana himself mentioned here how Mexico is making an effort to train a group of athletes but there is not enough money for the development of the sports which we have all envisioned. Worldwide funds should exist. We should fight for this. There should be contributions. I defend this not just for sports, but also for education and health. You know that Cuba has from 1,000 to 2,000 health workers cooperating with other countries. Cuba has designated 10,000 doctors to work abroad in the year 2000 as part of medical training.

We can cooperate with the PASO and world organizations in supplying technicians and specialists. We have the privilege of having a high number of these. The states can help, not just like this. In our small state, which is not rich, in our small state, which is not an industrialized nation, we fight for this. We do not have the resources of Europe, the United States, or Japan but we can help develop sports in other countries. If others need 100, 500 technicians, even 1,000 technicians, we could supply them.

If there is a willingness to help the sports sector, if there is an awareness of its needs, much can be done, infinitely more than professionalism can provide in any activity. I think there are other routes, other alternatives to give great momentum to sports. It hurts me because I see the potential of sports. [pounds table five times] Many countries have great potential but no installations. Worst of all, they do not have specialists. Many times they need specialists or technicians. They can teach sports in a small area. Do not think that it is something that is very sophisticated, but in the end, it is a serious problem. The world has a lot of these problems, like underdevelopment. I think that we must think about these problems, create an awareness, and help in some way to resolve them. That is what I think.

[Vazquez Rana] I want to thank all of you. Thank you very much. I am leaving because I have to attend a ceremony in Mexico which is also very important for sports. Thank you. [applause]

Machado Ventura on PCC Congress Announcement

FL2703153790 Havana Tele Rebelde Network in Spanish 1346 GMT 27 Mar 90

[Text] [Announcer] Over 150 internationalist combatants returned to our country last night. To return to the fatherland is to return to our dreams, to the hope we gain by looking every day at this Cuban sky, this authentically Cuban sky. The victorious return, with the firm and certain look that the search of the future is in the certainty that we maintain under any sky. They are already here. They have returned. [video shows soldiers being greeted]

[Begin recording] [Reporter Lissette Bustamante] We took the opportunity to talk with Jose Ramon Machado Ventura, member of the Communist Party of Cuba [PCC] Politburo, to learn about his views on various aspects of the announcement made for the fourth PCC congress. What are the aspects of the document that most caught your attention?

[Machado Ventura] The document itself is very rich, very broad. The aim of the document is precisely to promote a broad discussion. In addition to its contents, which as I said are very broad and rich.... [changes thought] We are going to submit it to discussion at the beginning of April. This discussion will be organized—to say it in some way—and led by the party. It will take place in all work centers, mass organizations, organizations of the leadership of the party, mass organizations [repeats]. What we intend to do with this is obtain contributions during the heat of discussions of the document. It will not be done to modify it, to correct it here or there, but simply to discuss it and expand it.

[Bustamante] It would be to enrich it.

[Machado Ventura] To enrich it, to provide opportunities for contributions. This is going to be used. We are going to collect all this. This is going to be organized and collected so when the time comes it will be used by the commissions that will discuss the various aspects of the improvement of the party, the work of mass organizations, and the Union of Young Communists. These contributions will be considered. In this way all the people will participate very directly. We are going to do this for as long as it is needed.

It has been proposed—it will have to be done in this way—that if there is not enough time, it will be discussed during a second round. We are going to do it at the work centers by shifts, in workshops. It will be done with enough time so that it is done well, so that everyone who wants to say something, to make a contribution, or question something, can be heard. It is not only to add to it, but we are also going to consider what someone has to say if he does not agree with what is said there.

[Bustamante] I believe this is also in line with something the document states regarding the problems of unanimity, the false unanimity in some situations.

[Machado Ventura] Correct. This is what is intended, desired, and hoped for. Anyone who has something to say which is different from what is said in general terms, or has some other views, should express them. We gather, consider, and look into them. We are really interested in learning what the workers think, what the people think, how our members look at the various aspects of the contents of the document. As I said, this is very enriching.

[Bustamante] Will the discussion within the heart of the party, that is, at the level of the nucleus, at the grass-roots level, also be held with the participation of the workers or will it be done in a separate nucleus?

[Machado Ventura] It has been said that, if necessary, it is discussed at the nucleus first. Say, if there is a place that because of specific reasons of that work center, the party understands that it should be prepared previously, it will be done so. If not, what has been said is that members should prepare themselves, read it, and if anyone has doubts, that they consult on it with the leadership of the nucleus, the grassroots organization. It is not necessary for the document to be discussed at all grassroots organizations. Later, we will have an open assembly. The party is going to lead it but it will not be a party meeting. It will be a meeting where the leadership of the party makes itself felt but it will be open.

[Bustamante] I believe that the announcement of the congress has caused great expectation in the population regarding the things that will be discussed, what will be analyzed, the decisions that may come out of the congress. What do you think about this?

[Machado Ventura] The announcement itself mentions many of the things that should be the object of discussion. The rectification process is mentioned. It must be continued. We need to continue observing, changing those things that are not right. We have to simplify the structures of certain organizations, the tasks which fall on the people, especially on the grass-roots, housewives, workers . We need to attempt to simplify that. Many of those things are included in the document in addition to matters of principle regarding our defense and our political positions. There is a broad area of discussions. [end recording]

Delegation Discusses PRC Science Cooperation

FL2703221390 Havana Radio Reloj Network in Spanish 2038 GMT 27 Mar 90

[Text] Jiang Minkuan, vice minister of the State Science and Technology Commission, said today that scientific and technical cooperation between China and Cuba will benefit the construction of socialism in both countries. The Chinese leader made this statement to a Cuban delegation headed by Ernesto Melendez, minister president of the State Committee for Economic Cooperation, who is in Beijing to analyze scientific and technical cooperation between the two nations until 1991.

Melendez agreed with his Chinese counterpart Jiang Minkuan on the need to strengthen socialism and cooperation at a time when the international situation is worsening because of the changes and reforms in Eastern Europe, among other factors. Ernesto Melendez, minister president of the State Committee for Economic Cooperation, reiterated in Beijing that Cuba will never halt its plans to develop a socialist society.

New Earth Station Named 'Caribbean Two'

FL2803192590 Havana Tele Rebelde Network in Spanish 1800 GMT 28 Mar 90

[Text] The new earth station Cuba will use beginning next year has been named Caribbean Two. This was

announced today during the workshop on space communications sponsored by the United Nations being held at Havana's Palace of Conventions. The earth station is part of the Intelsat system and will considerably increase our reception capabilities and links with other countries.

(Luis Periyan), director of the system for Latin America, gave a lecture today on the subject. He explained the details of the system, its advantages, and outlook.

Cuba has used Intelsat since 1979 when our country's second station began its operations. It is capable of transmitting 80 telephone bands and a telex and television channel.

It is expected that Intelsat will begin temporarily exploiting five portable stations in Cuba during this half of the year. This will enable us to send our current international signal traffic via satellite more efficiently.

Haiti

Justice Ministry Press Release on CEP Members

FL2803193590 Port-au-Prince Radio Nationale in Creole 1400 GMT 28 Mar 90

[Excerpts] Because numerous sectors in Haiti have expressed reservations regarding the credibility of the Management Council of the CEP [Permanent Electoral Council], the Justice Ministry announces that in conformity with the will of the government of the Republic it is relaunching the electoral process. Minister of Justice Pierre C. Labissiere has asked the different bodies and organizations stipulated in Article 289 of the Constitution of 1987, to either reconfirm their representative on the CEP or designate someone else. [passage omitted] They have five days in which to do this. [passage omitted]

This is a press release from the Ministry of Justice received here at National Haitian Radio.

[Port-au-Prince Radio Antilles Internationales reported at 1400 GMT on 27 March that Dr. Jacques Jovin, treasurer of the CEP, had been reconfirmed as the representative of the Protestant Churches.]

MIDH Does Not Support 29 Mar Demonstration

FL2803192090 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 28 Mar 90

[Excerpts] There is to be a demonstration against insecurity and in favor of democracy tomorrow, called by the Assembly for Concerted Action. [passage omitted] However, we must tell you that the MIDH, Movement for the Establishment of Democracy in Haiti, which is also a member of the Assembly for Concerted Action, says it does not support this demonstration.

The Confederation for Democratic Unity, KID, asks the Haitian people to demonstrate throughout Haiti on 29 March to say no to repression, injustice, a high cost of living, macoutes, and murderers. [passage omitted] KID invites all patriots, all demonstrators, to carry red and blue flags to celebrate the unity of all partisans of democracy.

In Port-au-Prince the rendezvous is at 1000 in front of Saint Jean Bosco Church, Saint Bernadette Church in Martissant, and on Vaillant Street in Lalue. According to the KID press release, all these groups will come together in front of Port-au-Prince City Hall where different political leaders will talk. KID asks everyone to participate. [passage omitted]

New Port Authority General Director Appointed

FL2803194990 Port-au-Prince Radio Soleil Network in Creole 1930 GMT 27 Mar 90

[Excerpts] A press release from the Ministry of Information announces that the following appointments have been made by presidential decree. [passage omitted] Clorel Pierre-Louis has been appointed general director of the National Port Authority. [passage omitted]

New Public Prosecutor Appointed

FL2903000490 Port-au-Prince LE MATIN in French No 28.922, 28 Mar 90 pp 2, 3

[From "Haiti and Today's World" column]

[Text] [headline] New Representative of the Department of the Public Prosecutor

Attorney Bayard Vincent has been appointed representative of the Department of the Public Prosecutor at the civil court of Port-au-Prince. He replaces attorney Gerard Arthur Delbeau.

* Salinas Outlines Six-Point Reform of PRI

90EM0112A Mexico City EL DIA in Spanish
5 Mar 90 p 7

[Text of address by President Carlos Salinas de Gortari at commemoration of 61st anniversary of Institutional Revolutionary Party delivered at Plutarco Elias Calles Hall, 4 March 1990]

[Text] Fellow partymembers:

Full of conviction, I come before you to celebrate one more year of intense political activity. Six decades after its creation, PRI confronts once again the task of self-transformation. The challenge it faces is the one facing the country: to reflect the new realities of Mexican society; preserve its own deeply rooted identity; and practice politics in such a way as to remain Mexico's majority party in the coming decade and the coming century.

The party that emerged from the Revolution has been an agent for change in Mexico ever since its founding. And this is why Mexico too has changed. In its convictions and its sense of national reality the party found the imagination to guide the next step of the revolution. It made the internal organizational adjustments needed to assure victory.

Society is no longer what it was in 1929 when the party was founded. Our population has grown sixfold. This has led to an enormous network of organizations, systems of production, exchanges, local practices, cultures, and different views of the future. Cities mushroomed, and profound and widespread urbanization transformed social relationships and the terms of collective coexistence.

Over the years PRI under different names and structures contributed to the country's political life to a degree that astonished the entire world. In 1929 the party was born into a setting of worldwide international depression. At the time, it was necessary to correct market shortcomings and build a state that was more than an overseer. It played a direct part in production and exchange.

In a country decimated and wounded by confrontation and armed struggle, the PNR [National Revolutionary Party] bought distinct political and military forces together. It crystallized them in a broad front committed to the peaceful transfer of power and a state capable of growing to meet the needs of a strong nation.

Thus the party of the Revolution was able to bring into being a democracy based on a mobilized peasantry, representative community participation, and the nurturing of worker unity that is the hallmark of modern Mexico. The party made it possible for the will of the people to be reflected in government.

Mexico's takeoff as a society cannot be explained in the absence of the programmatic and electoral undertaking of the PRM [Party of the Mexican Revolution] in the 30s. The experience of universal war was drawing nearer to a world menaced by totalitarianism. Nations such as Mexico were obliged to find within themselves the wellsprings of their own development. Through its new sectors the party consolidated its social base under the aegis of reforms which the Mexican Government carried out on its own.

The threat posed by local caciques to the national government disappeared. The military was professionalized and the Republic institutionalized. The circulation of new ideas, production methods, and social mobilization all depended on party organization. There can be no doubt that the grand alliance of the party's sectors in the tasks of government eased the country's path to development.

The new Mexican society prefigured in the 40s and 50s by the drive to industrialization and the emergence of urban middle-class groups found its full political voice in the Institutional Revolutionary Party. It emerged at a time when the world was mired in the then irreconcilable bipolarity of the cold war.

Within this international framework Mexican society could rely upon a better organized national party with continuity and periodic renewal of its cadres. In the struggle with external hegemonies the party stood as a bastion of Mexican nationalism. National stability emanated from the strength of institutions that also contributed to the solidity of the party.

Today we are living in a new age. Times are different, and we face new challenges.

On the national scene the evolution of our social structures is linked to the fact of economic crisis. The result is a society that has become complex, differentiated, urban, and demanding.

In the 80s the economy suffered paralyzing upheaval. Social differences increased, and Mexicans' resolve was again put to the test.

Faced with this new reality, we are fostering changes to meet international challenges and channel popular demands. The answer is: a Mexico that is politically new, a Mexico committed to modifying limits on employment and a better standard of living and to changing political practices in order to set the pace for its recomposition. This is a Mexico determined to play an important world role while preserving its own essence that makes it what it is and distinguishes it from all other nations.

For all these reasons, the party returns to its founding principles, the underpinning of the Mexican Revolution: sovereignty and justice through democracy and with full liberty. The PRI once again finds its image in present-day society and strives to win a new place for itself in keeping with its history. The party transforms itself because it seeks to be not an obstacle but a leader on the march to change. Its role was decisive in the era of nearly

one-party government. It has left this stage behind, but it is and will remain the centerpiece of a regime with more competitive parties.

Its transformation is an imperative of its vocation to govern and is mandated by its revolutionary conviction. Mexico has not stood still nor has the party remained immobile. We have learned that the world affects us and that there is no viable development in isolation from the great transformation worldwide. Only nations such as Mexico that show willingness to change can benefit from the opportunities of the world coming into view as this century ends.

But we learned an even more important lesson. Useful change does not destroy institutions. It knows how to change them while maintaining confidence in the culture they represent and standing firm in the protection of what matters most: freedom, equality of opportunity for material and cultural progress, and the sense of sovereign identity.

Mexico Today Is Stronger and More Respected

The events of the Autumn Revolution in Eastern Europe present a challenge that Mexico has already faced and resolved. In the enthusiasm for freedom they must build a political bridge between popular aspirations and economic realities. Aimless change and nostalgia for what will never return can lead to the loss of a nation's soul.

Mexico today is stronger and more respected because we have known how to anticipate the signs of the times and, most importantly, the demands of our society. Pluralist Mexico has found the space to express itself fully. We prove this day by day the length and breadth of the country.

This is only possible because we are a society that is sure of itself and understands that differences enrich, liberate, and invigorate the spirit of cooperation when there is a clear sense of national interest, love of social peace, and willingness to live under the rule of law.

But Mexico's pluralism is also made possible because the PRI has changed. It has known how to find a place for itself through competition, defend its triumphs, and recognize its losses. PRI now gains more strength through change than through complacency. It grows more effective and deserving through competition and social commitment than by remaining dominant but remote from society. Its historical conscience is clear, and its future lies ahead. It is among those that win in the world and not among the losers that are doomed to disappear.

What is the direction and depth of the change in our party? What is its future? PRI changes in order to continue winning the vote of the majority. This is the driving objective behind its organizational transformation, its strategies, and above all its daily practice of politics. PRI seeks to renew its convictions while assuring its electoral capacities. It seeks to assume and determine the new shape of barrios and working-class colonias [urban communities] in the country's cities. It seeks to incorporate the new voices of citizens' groups and the concerns of the middle class.

PRI proceeds to its encounter with society because it has a program to present and is confident of the principles that guide its search for the vote. PRI is going to show the way to new practices and to confronting the new challenges that grow out of more objective, impartial, and precise election laws. PRI changes in order to bring word and deed closer together.

There is a new opening committed to making PRI party leaders more representative. This amounts to a change of attitude aimed at recognition of natural leadership. Our basis for representation is to rescue localities, heed the breaches that separate the making from the keeping of promises, and assure responsiveness to the most deeply felt demands of the community.

PRI's vow to be in the forefront of those making demands in the interests of Mexico is not just an attempt to exploit such demands as a political weapon. The PRI member in a position of public trust must be an effective servant of society and not use such a post for personal benefit. The PRI party worker must bring those who govern and are governed closer together and make sure that citizen protests are considered in the making and application of government decisions. This is how our party's leader acted in his dealings with the workers of Cananea, the peasant growers of coffee, corn, and tobacco, urban sectors demanding fairer electric rates, and indigenous groups throughout the country.

These are the new practices that without doubt matter most to community sentiment.

The PRI changes so that the Mexican Revolution will continue to govern. Its transformation is in recognition of its social relevance and, within the government, of its vocation to rule. Its autonomy must be used in the political competition for votes.

Its commitment is to the program of government that resolves in Mexico's favor the aspirations that gave rise to its origins.

Only PRI members will define the shape of the party, the pace of its change, and the path it will take throughout the country.

The government composed of and at the service of all Mexicans guarantees impartiality in its rules and the application of the law. However, it shares by virtue of common origin a kindred philosophy with the Revolutionary Institutional Party.

This is an in-depth transformation of the party. It will not remain to the rear of either society or history.

The time is ripe for forging a modern party for a modern society, but a party committed to justice as defined by

the Mexican Revolution: social justice. PRI is therefore changing in order to be the axis of national solidarity.

Its principles, its irrevocable nationalist and popular character make the party the preferred means for alerting the government to citizen voices. It is the driving force for the moral equilibrium of modernization. It is the change that provides effective monitoring of the commitments of the government to bestow upon the Republic of Mexico greater sovereignty and a decade of justice.

The party worked arm in arm with the people, and it focuses the government's attention on keeping its commitment to solidarity.

Now I see my fellow party members enthusiastically committed to a transformation worthy of our society, sensitive to the times we live in, and determined to triumph on the terms set by society.

Party Transformations

If PRI wishes to remain in power by democratic means, it must heed the voices of its militants and sympathizers. Already that voice makes itself heard clearly, sharply, and also firmly throughout our great Republic. And this majority voice asks of its party the following transformations:

First.—PRI candidates for elective office should arise through democratic mechanisms and broad participation of the party rank and file.

All those who aspire to being PRI candidates should be ready to prove by their actions their ability, party loyalty, appetite for work with the rank and file, and electoral strength.

Sectors, groups, and citizens must compete in this new process on an even footing while maintaining party discipline and unity at all times.

Merit, leadership, and genuine strength in modernizing the citizenry must be the factors that determine who becomes a candidate.

Only in this fashion will we eliminate the rigidities born of historic inertia that have most isolated the citizen vote.

Second.—There must be room enough for all currents of thought and opinion within the party to have a say about the organization, direction, and political action of PRI.

There is no future in a rigidly vertical and dogmatic organization and even less for one that is heavily bureaucratized. The way to the future is through flexibility and the ability to respond adequately to every popular demand everywhere in every municipality.

Internal debate and disagreement is not only permitted but necessary when revolutionary conviction prevails.

Third.—The origin of resources used by the party must be clear, and the party must take full responsibility for their use. Election laws require parties to be publicly financed and link funding to electoral strength. In no other way can the survival of vigorous party activity in Mexico be assured. Otherwise there is no escaping the excesses of organizations dependent on internal or external economic interests that weaken their integrity and threaten their independence.

It will be up to each contending party to raise funds from supporters and seek victory at the polls. This is how political organizations must support themselves and defend their autonomy. Accountability is the coin of modernization. Avoid giving opponents the opportunity to make false arguments.

Fourth.—State and municipal party decisions must be made freely in full view of local authorities and the centralized leadership.

Party structures must be adapted to the characteristics of electoral competition at the local level while preserving the national political line that gives us our identity.

Fifth.—A new school must be created for cadres.

Innovation is needed in the preparation of party cadres. They must learn to mobilize society and organize it politically. They must learn to get out the vote for PRI and have the debating skills necessary to confront opponents in public.

The day of political training institutes has come and gone. Now it is the new nationwide party organization that needs to guide the most promising of our fellow partymembers towards training for mobilization in the new era.

Sixth—The national structure of top party posts must faithfully reflect the composition of national leadership bodies and bring together the viewpoints of the different local groups.

National party leadership must now be collegial. In full public view, it must be genuinely able to incorporate regional forces and the different forms taken by local contests. At the same time it must set a common ideological pattern and bring the efforts of everyone to bear on tasks that are national in scope. This should be the party's permanent national deliberative body. This will wipe out the image of some small groups that used to think they made all the decisions.

While moving in this direction, fellow party members, let us act calmly but immediately to turn proposals into action in order to win public confidence. Let us make sure the transformation is historically faithful and in accord with what society desires and wants.

I suggest that these reflections and six guidelines be part of the debate leading up to the 14th assembly to be convened in the second half of this year. Preparations for this event demand the mystique that people have when

they know they are on the right road but remain tolerant and respectful of those who think otherwise. This mystique does not confuse violence with democracy because it violates the very nature of PRI's transformation. It is the selflessness shown by someone able to listen and give guidance, someone sure to usher the party into a new era, the person PRI demands and Mexico clamors for: Luis Donaldo Colosio Murrieta.

I am convinced that we will resolve obstacles, air the differences among ourselves, and overcome inertia. We know that if we do not we jeopardize the goals of the Mexican Revolution and the democratic freedoms we enjoy.

This is why I am confident this is a genuine transformation in form and substance, in practice and attitude.

You are committed to securing the leading role in the modernization of Mexico. Thus the nation can be free and respect plurality while providing ample room for all Mexicans to seek opportunity and well-being.

Unique Form of Government Expresses National Sovereignty

We have a greater objective that enables us to turn back all challenges. I refer to the democratic cause, the great political determination of Mexicans to devise a social method for dissolving their differences and getting on with the nation's work. Democracy is the way to make sure we can unite around a common purpose, a unique form of government that is an expression of national sovereignty.

Democracy is the way to compound commitments to the great task of generating employment and well-being for all Mexicans. Democracy is the way we will reform the state to make it more just and more attentive to those in greatest need. By giving them priority, it will also enlist their support for national modernization.

Democracy, fellow party members, is the way to the great reform that has become unavoidable in this new stage in the life of our party and also our homeland.

But let us recognize, fellow party members, that this modernization is based not on the weakness but on the growing strength of our party. It is not just the result of weakness and disorganization. These are really the traits that several opposition groups have come to display, and they seem to be growing as time passes. It derives above all from the strength of the party. The increasing response to the most deeply felt demands of the citizenry is coming from the government that the party put in office.

Today Mexicans know that the government and its party are drawing closer to the people. They are not waiting for people to come to their offices and pose their problems. Regular daily visits to the most distant and poorest communities of our nation are letting Mexicans know that they may be far away but they are not forgotten.

They now know that when the chance arises to do something we do it. They know that as the government grows stronger economically it can serve the people better, that they won't have to wait. This was demonstrated to me just a couple of days ago in a very remote community in the state of Baja California Sur. They will not have to wait another 40 years for the drinking water they have asked for and thirsted for so long.

Now residents of Chalco know their effort was not in vain. They know they can expect a timely and committed response from a government at the service of the people.

The time for reform, fellow party members, is a time of growing strength. Mexicans know solutions won't come overnight, and this is not what they demand. They know there is a commitment to pushing ahead permanently and persistently towards satisfaction of their most deeply felt needs. In a nutshell, they know there is a commitment in word and in deed to justice.

And when Mexicans know, see, and have proof that authority is willing to commit itself to justice they respond with the generosity and hope our compatriots show today. And while we promote justice, Mexicans recognize that the administration and the government defend with boundless passion the sovereignty and independence of our homeland.

Therefore, fellow party members, go forth in high spirits and with confidence in the reform of this great national political institution. Your haste does not come from the pace set by the Mexican nation and from the growing strength that sets us on the road to justice and sovereignty with support for freedom and democracy. [as published]

These are the Mexican causes that have brought out the best in our party for more than six decades. Thus, the great crusade for democracy guarantees that in the new era PRI will continue to be the party on the side of the majority.

We stand at the threshold of the new century. PRI, I am convinced, will guarantee that we change so that we stay on the right road. It will do this under circumstances of transformation, hope, and risk abroad and of yearning for justice and sovereignty at home.

We will change, but it will be in order to follow this road because this is what we yearn for most in order to affirm our pride in being Mexican.

Viva Mexico, my fellow countrymen!

* Hank Gonzalez Family Cited in Murder Case

90EM0109A Tijuana ZETA in Spanish
23 Feb-2 Mar 90 pp 22A, 23A

["Double Truck" column by J. Jesus Blancornelas; for related reporting see FBIS LATIN AMERICA DAILY REPORT of 5 Feb 90 (FBIS-LAT-90-024) pp 14-16]

[Text] If someone arrives in Bosancheve, a small region dotted with beautiful ranches in the state of Mexico, and asks where he can find Mr. Antonio Vera Palestina, he'll get exact directions.

You can't miss Bosancheve.

From Mexico City you can get there by taking the road to Toluca and following Route 15 to the city of Toluca in the state of Mexico. Continuing on the same route, you'll reach Santa Maria del Monte and then the turn to Almoloya de Juarez.

Twenty-nine km farther on you'll run into the settlement of "La Gavia" which is also on Route 15. Then it won't be long, barely 8 km, before you reach the turn to Villa Victoria. There you'll drive past "Paso Lengua de Vaca" and enter beautiful Bosancheve National Park.

Nearby is "Macho de Agua," and it's on a ranch in that district that Antonio Vera Palestina has spent at least the past two months. There are clear indications that the personal bodyguard of Jorge Hank Rhon is the killer of journalist Hector Felix Miranda.

The ranch in Bosancheve could belong to Carlos Hank Gonzalez although DOUBLE TRUCK was unable to verify it. However, it is located in one of the areas over which the father of Jorge Hank Rhon exercises absolute social, economic, and political dominion.

It may be that the ranch where Antonio Vera Palestina is hiding out belongs to some friend or protege of the man who is now Secretary of Agriculture and Water Resources.

This would not be the first time so high an official with important duties to perform by order of the president took a quick time-out to make sure hit-man Antonio Vera Palestina lacked nothing and was not disturbed.

Antonio Vera Palestina, it will be recalled, was originally the personal bodyguard of Prof. Carlos Hank Gonzalez. He was so trusted that when the gentleman sent his son Jorge to run the racetrack in Tijuana, he dispatched Vera to keep constant personal watch over him.

The obedient and faithful Vera at some point received the order to kill Hector Felix Miranda. He took care of the matter personally and with all the professionalism the occasion demanded. He had Emigdio Nevarez drive the pickup from which he fired the shots. Meanwhile, Victoriano Medina, another racetrack employee, used his car to cut in front of Felix and keep him in shotgun range.

There have been other occasions when Antonio Vera Palestina was moved from one place to another in total comfort.

After the crime he allowed himself the luxury of staying a while in Bonita, California, with Emigdio Nevarez. They stayed in or near the house where Jorge Hank Rhon was living.

But at some point Vera Palestina was seen shopping at the Price Club stores in Chula Vista. No doubt he was getting groceries or making other purchases for his boss Jorge Hank Rhon. This information came from friends of ZETA, and its publication was the reason he left California.

At that time everyone knew where Vera Palestina was. Making his whereabouts public was more than enough pretext for him to move, according to Gustavo Romero Meza. The policeman in charge of tracking Vera Palestina down and capturing him blamed ZETA when the news came out and he escaped.

Romero Meza added a touch of machismo to his excuse. "...but now I swear by my dear mother that I'm going to arrest him," he told reporters at one of his customary weekly news conferences in Tijuana.

And weeks later when asked what had happened he would add: "Nothing, nothing, but I'm going to give you a surprise real soon."

Obviously we're still waiting for the surprise.

Extravagant though it may seem, some recently founded newspapers and some radio stations have lately spread the news that Antonio Vera Palestina is in the United States and specifically in California.

Why this constant spate of stories insisting Vera Palestina is in the United States when the bodyguard of Jorge Hank Rhon is actually in Bosancheve in the state of Mexico?

The reason is very simple.

ZETA and friends of ZETA have followed the trail of the man who killed our codirector not in order to capture him but to find him.

And last week their observation of Mr. Felix's obvious murderer was discovered. This led "someone" to foster the notion in the press and on the radio that Vera Palestina was in the United States. This was done with the express purpose of diverting attention and to cast suspicion on the real truth.

But there is no longer any doubt that in recent months the Hanks' bodyguard has journeyed from the ranch in Bosancheve to Atlacomulco. He did so on the road from El Mayorazgo to San Felipe in the state of Mexico. And from there he went south to Ixtlahuaca where as a matter of fact he has friends.

And when he heads towards Santiago Tiangistengo in the most important domains of Prof. Carlos Hank Gonzalez just 42 km south of Toluca he can count on another advantage. He can enjoy the protection of the army detachment that the potentate from Agriculture and Water Resources has stationed on permanent guard at his ranch.

This is why during the administration of Xicotencatl Leyva Mortera an agent friendly to Hector Felix spoke to ZETA. "It's not that we might not want to catch him but that they don't let us. And it's not that we might know his whereabouts, but the place is under army guard because it's where Professor Hank has his ranch."

Naturally the situation remained the same during the interim administration of the crafty, discrete, and almost always noncommittal Oscar Baylon Chacon. This man did practically nothing in pursuit of Vera Palestina. His police spent their time making up stories.

And Baylon gave in to pressure from Hank Gonzalez.

At last things are different now.

If in the wake of this report Vera Palestina moves, it will be easier for the state judicial police to follow his trail.

The question is would they want to...and could they.

In Baja California we all know who are the suspected instigators of the crime: Jorge Hank Rhon and Alberto Murgia to begin with. They're the principal and virtually certain culprits. Then come Edgardo Leyva Mortera, Eliseo Aguinaga, and Jose Luis Figueroa. All have links to Xicotencatl. One is his brother, one was his attorney general, and the last was his penitentiary warden.

But whom does the State Attorney General's Office regard as suspects likely to have ordered and executed the crime?

To be sure, the attorney general, Mr. Enrique Krauss Coronel, has not officially said who they are.

But at the moment all indications are that he will...and in writing.

The reason is very simple. This week, on Tuesday the 20th, the gentleman in the Attorney General's Office received a fax from the Interior Secretariat. It requested "...on instructions from the interior secretary" the following information:

1. Pretrial investigation number. 2. Court with jurisdiction in the case. 3. File number. 4. Alleged perpetrator(s). 5. Most recent court action. 6. In closed cases specify if sentence was pronounced following trial on the merits or appeal.

Of the six items requested, five could be provided very quickly and easily. But one is interesting. Who in the opinion of the attorney general might the presumed perpetrator or perpetrators be?

Would he include Jorge Hank Rhon? And Alberto Murguia? Or would he rule them out because the two intimate friends both have links to the secretary of agriculture and water resources?

The inquiry from the Interior Secretariat, despite its appearance, is neither bureaucratic nor pro forma. It marks the first time since the murder of Hector Felix in April 1989 that this agency has formally requested reports on the crime.

But what repercussions could it have?

According to the Interior Secretariat, it wanted the information for a report to the Mexico City Union of Democratic Journalists. The body is demanding that the case be solved. However, the requested information could be used to show the public that since the main suspects are Jorge Hank Rhon and Alberto Murguia nothing is being done.

And with such information in the hands of the Interior Secretariat and then in the hands of the Democratic Journalists the question would be: "What's preventing the administration of Ernesto Ruffo from apprehending them?"

Never mind that the Interior Secretariat will be left holding information about a crime it is up to the government of Baja California to solve unless someone else does.

Under these conditions the federal government is put in the position of knowing things it was not officially aware of before. Once it's in the hands of the Union of Democratic Journalists, this information is bound to be made public.

The request from the Interior Secretariat to the state attorney general cannot be so much red tape generated while going through the motions of answering a query from the Union of Democratic Journalists.

It's obvious that in so delicate a matter the Interior Secretariat acted either on its own initiative or on orders from the president.

And this is not an idle boast on the part of DOUBLE TRUCK. Interior must have consulted with or gotten instructions from someone for one simple reason. Indirectly the case involves the name of Prof. Carlos Hank Gonzalez, who is nothing less than a member of the president's cabinet.

Seen in this perspective, Interior's communique to the attorney general raises hopes that those who ordered and committed the murder will be captured, jailed, tried, and sentenced.

Otherwise, it would have cost Interior nothing to back away from the case. It could tell the Union of Democratic Journalists that the PAN [National Action Party] government of Baja California failed to provide any information. It could suggest that inquiries be directed to the Ruffo administration. But that's not what happened. Thus the case of Hector Felix Miranda moves ahead and passes another point of no return. For the moment the one most compromised is Ruffo. He no longer has a way out.

* Problems Facing Refugees in Chiapas Described

90EM0112B Tijuana ZETA in Spanish
23 Feb 90-2 Mar 90 p 4

[Article by ZETA correspondent J.L. Perez Canchola]

[Text] From 2 to 10 February we attended the Third Assembly of the National Coordinating Group for Nongovernmental Agencies (NGOs) in San Cristobal de las Casas, Chiapas State. The meeting attracted representatives from many organizations in central and southern Mexico that support, investigate, and advise Central American refugees whose search for safety has led them to settle in our country. The host agency was the San Cristobal Christian Committee under the leadership of Bishop Samuel Ruiz. The head of the local diocese is well known for his deep commitment to the region's poor people, peasants, and refugees.

A trip through Chiapas is very much an experience. It's part of the unknown Mexico, a remote, marginalized area where exploitation and poverty have reached criminal levels. From such urban centers as Tuxtla Gutierrez, San Cristobal, and Comitan a rural district of coffee plantations and mountains stretches to the Guatemalan border. Experts say lifestyles in the region are similar to those of 200 years ago. At least a dozen dialects are spoken in Chiapas among them Tzotzil, Zoque, Maya, Mame, Tojolabal etc. This complicates the communication of local populations not only with Mexicans but also among themselves. Only the Jehovah's Witnesses are said to have shown any interest in working out a written form for these dialects in order to do a better job of penetrating these communities.

Since 1981 the state of Chiapas has become a sort of sanctuary for thousands of Guatemalan families. They have abandoned their country, their communities, and their lands to escape repression by the army and the caciques of that neighboring country. The present situation in Guatemala—marred by daily violence, kidnappings, political crimes, and paramilitary groups—rules out any prospect of an early return home for the refugees.

However, 9 years after their arrival, their stay in Chiapas is far from trouble-free. They live on the lands of ejido [Indian community-held farmlands] members, independent farmers, small landowners, and ranchers who never miss a chance to take advantage of the situation. For example, the refugees are obliged to work solely for the owner of the land they occupy. They must work from sunup to sunset for salaries ranging from 3,000 to 3,500 pesos a day. If caught working for another landowner, they are ordered off the spot where they've settled. Only on rare occasions are they allowed to sow corn, and then it's on unirrigated cropland and strictly for family consumption. All the families invariably pay the owner of the land they occupy a monthly fee in order to chop firewood for cooking.

Those attending the NGO Assembly spent several days with refugees in the camps of Paso Hondo, Tziscao, and Poza Rica and in the municipalities of Las Margaritas and Comalapa. I happened to visit the camp at Poza Rica high in the mountains of Chiapas. We arrived after 4 hours' travel over difficult trails and along tributaries of the Suchiate River. To my great surprise, I met up with a nun whose acquaintance I had made in Mexicali, Sister Bertha Sandoval of the Order of Mothers of Help. For 8 years she has spent all her time in those remote mountains serving refugee families. Her efforts along with those of her fellow religious workers deserve our deepest respect. I met Bertha in 1980 when she was helping Central American women and children being held in the Mexicali City Jail. There is no doubt that her work stands as a monument to Christian faith.

From our conversations with representatives of some of the refugee communities we learned that some settlements have been advised they must vacate lands they now occupy within 3, 6, or 12 months. There are whole communities which in the past 8 years have had to move three or four times on orders from landowners. This causes great hardship and suffering for the families. With each change they must begin again the tasks of digging ditches, building places to live, and preparing land to grow corn for their own use.

What's happening in Chiapas is truly a tragedy. Thousands of Guatemalan families are trapped between repression by their own government and the Mexican Government's brazen disregard for their human rights. They are an uprooted population that seeks only to survive until the day they may return to their beloved homeland. Only the humanitarian action of the San Cristobal Christian Committee and other international agencies has helped this community bear the heavy burden of forced exile.

Meanwhile, Mexican authorities limit themselves to handing out food to the refugees in sacks and bags with big letters proclaiming them gifts of the U.S. Government.

Life in the camps is terribly difficult. There is a constant need for more people to help teach the children. There are needs for community organizers, literacy workers, women's caregivers, health programs, and persons skilled in setting up cooperatives and sewing shops. "I wish," said Bertha Sandoval as we left her at Camp New Jerusalem, "that other sisters from Baja California would come to Chiapas and get involved in this humanitarian and Christian task on behalf of our refugee brothers and sisters."

Costa Rica

Foreign Minister Proposes Panama Join Summit

PA2903050290 Panama City ACAN in Spanish 0318 GMT 28 Mar 90

[Text] Panama City, 28 Mar (ACAN-EFE)—Costa Rican Foreign Minister Rodrigo Madrigal Nieto said tonight that it would be beneficial for Central America to include Panamanian President Guillermo Endara and his country in the upcoming area summit meeting. "I am certain that the new Central American presidents would agree to letting Endara join the new plan to develop democracy," Madrigal told ACAN-EFE after being decorated by the Panamanian Government for "his fight against the dictatorship" of Manuel Antonio Noriega.

Madrigal said the Central American summit on 2 and 3 April in Managua "will be held in a good atmosphere," because of the changes taking place in the area. He announced that efforts have already been undertaken so that Panama can join. "Panama must join the Central American movement because we are entering a new phase in the struggle for economic development," he noted.

The Costa Rican foreign minister, who is on a three-day visit to Panama, mentioned the need for establishing a "democratic alliance," especially in Central America to "defend this lifestyle." Panamanian Foreign Minister Julio Linares, who decorated Madrigal at an exclusive Panama City club, said the distinction was bestowed on Madrigal because "he was an untiring warrior for the cause of Panama's democracy, not only in his country, but at international forums as well."

"While we were struggling for our democracy, several countries hid behind the principle of nonintervention and isolated the budding Endara government; Madrigal raised his voice on our behalf," Linares said during the ceremony. The Costa Rican official replied: "It was vital for my own fatherland to have a democratic government on its southern border. My support for Panama was also for the development of democracy in my country." Madrigal will leave Panama tomorrow afternoon. Today he met with President Guillermo Endara and was granted the "the floor" at the Panamanian Legislature. He was also given the keys to the city, and was decorated again at the Chamber of Commerce.

El Salvador

Station Comments on TV Marti Interference

PA2903012890 (Clandestine) Radio Venceremos in Spanish to El Salvador 0032 GMT 29 Mar 90

[Station commentary: "The Tele-Aggression Against Cuba by U.S. Imperialism"]

[Text] Yesterday, Cuban people witnessed another attack against Cuban sovereignty by the United States when they saw the first test transmissions of TV Marti. TV Marti, which after broadcasting for 30 minutes was interfered with by the Cuban system, sends its signal from an airship suspended at 3,000 meters in the Gulf of Florida. The television project received financing from the U.S. Congress in the amount of $7.5 million for the test programs that began yesterday and will continue for the next three months. On previous occasions, President Bush has said he will continue to try to convey the truth to Cuba, as was done in Czechoslovakia, Poland, and other countries. A White House spokeswoman has said that the television project is within the framework of the free exchange of ideas.

However, there is no exchange of ideas in this case, because according to various Cuban intellectuals, this is an imposition and a new Bay of Pigs, but this time through the airwaves. The only objective of TV Marti and the existing Radio Marti project is to topple the Fidel Castro government. However, Cubans are prepared to interfere with the transmissions. Everything seems to indicate that this is the beginning of the intensification of the electronic war between the two nations, which could generate [words indistinct] for [words indistinct].

Guatemala

Cerezo Statements on Regional Presidential Summit

PA2903041490 Guatemala City Teleonce Television in Spanish 0300 GMT 28 Mar 90

[Report on statements by President Vinicio Cerezo Arevalo; date and place not given—italicized passages are recorded]

[Text] [Announcer] The president has reported on the date established to hold the Central American presidential summit.

[Cerezo] *This morning I talked to President Oscar Arias. We had already talked to President Callejas and President Cristiani, who had a problem with the date. However, we have reached an agreement that is now pending confirmation from Nicaragua. The presidential summit to be held in Nicaragua will take place on 2-3 April.*

First, we are going to definitely discuss the implementation of the program that has been agreed upon to demobilize the contras in Honduras. This was in principle already agreed upon in Honduras between the United Nations and the contras and it was accepted by President Ortega. The likely date to begin will be.... [changes thought] the demobilization of the contras. However, we—the presidents—have to work toward and supervise implementation of the agreements and we should fully promote and support activities by ONUCA [UN Observer Group in Central America].

[Announcer] President Vinicio Cerezo Arevalo said that Guatemala will propose a future Central American presidential summit to discuss only economic problems.

[Cerezo] *Guatemala has expressed the advisability—we discussed this with President Callejas and he admitted this was an appropriate idea—of discussing in Nicaragua the possible agenda for a summit on economic issues only. Presently, all Central American countries feel this a very interesting subject, and I already discussed this on the 'Let's Talk' program. This necessity has been expressed by the foreign relations minister because all Central American countries are facing a crisis. Because of this crisis, each president has taken similar steps, but the results vary from country to country, and they are causing problems for our economic interrelations.*

Honduras recently took steps to devalue its currency because it had to. Honduras will have to come to terms, at some point, with floating exchange rates. Honduras will have to arrive at a similar solution. What do we do to improve the trade and compensation mechanisms? This is a topic.

Second, import taxes are being reduced throughout Central America. This will also be a subject of discussion because, by trying to resolve a problem, we could become the victims of an invasion of foreign-made products that could lessen our productive capacity and reduce our purchasing power. We would again be facing the same problem. Therefore, we propose discussion of a topic of utmost importance—how to integrate the countries in a productive manner, the example being Europe. If we produce something, how do we make others produce so that we do not compete, but sell to the large world markets in an integrated manner?

This is a good point, given the fact that peace is beginning to take hold in Central America in a definite way, because it seems that this is an irreversible process. We have to begin discussing two other basic topics—the environment and the economic development of the Central American countries.

The foreign debt will be a pressing topic of discussion because Nicaragua will not be able to commercially relate to any country if we do not find ways for Nicaragua to repay its foreign debt. Nicaragua owes money to everyone. It owes Guatemala $220 million. In other words, Nicaragua practically has all credit sources closed. How do they go about getting foodstuffs? I think that the Central American Bank will have to play an important role, together with the countries that will want to help us resolve our delays on debt payment so that we are able to maintain full economic relations.

[Announcer] Concerning talks between members of the Guatemalan National Revolutionary Unity [URNG] and representatives from the National Reconciliation Commission, which are currently taking place in Oslo, Norway, the President said the following:

[Cerezo] *In Central America, we hope that the peace process puts an end to the ideas and movements that seek to resolve old armed conflicts in Central America through military means. This trend has paved the way for political dialogue to all those groups that have used weapons in the past to try to change governments. As part of this changing scenario, we hope to have serious talks in Oslo so that the groups that are still fighting with weapons to change existing government structures can rejoin the political life of the country.*

We do not believe that all problems will be resolved at the Oslo meeting. However, if we achieve a resolution of goodwill—we have already expressed publicly our goodwill so that guerrillas can peacefully rejoin political life—we could later discuss the procedure to achieve this integration.

I believe that the events in Nicaragua and what may happen in El Salvador are a good lesson, a good example, and a good sign that we can settle our differences peacefully without violence.

[Announcer] Concerning the statements by a politician who accused government officials and members of the Guatemalan Christian Democracy of being involved in drug trafficking, President Cerezo said.

[Cerezo] *I wish to state to you that the drug trafficking accusations are a political fabrication to damage the image of the government and make it lose the elections. These accusations were not invented in Guatemala, but were invented outside of the country. I denied these reports a long time ago. The people who fabricated this story outside of Guatemala wanted to make us pay for our political autonomy and independence in the Central American process.*

So far, there has been much talk about drug trafficking, but no one has presented conclusive evidence to demonstrate anything; not even international organizations with great prestige like the Drug Enforcement Agency of the United States have been able to prove any of the drug trafficking accusations. At this point, we could cover our backs and clear ourselves if we really wanted to. However, I challenge Dr. Castejon and any other politician to just stop making banal and irresponsible statements to frighten the people. I dare Dr. Castejon to prove his accusations because I feel that they are intended to damage the reputation of our presidential candidate. What is being done to discredit our candidate? They are talking about his brother, merely because the candidate's brother was a suspect, a suspect [repeats himself]. He was never arrested. They never found anything against him. However, he was a suspect and if he is a suspect, he must be arrested. That is his problem.

These accusations are being made to link Alfonso Cabrera to the drug trafficking problem and ruin his reputation. There is a lot of evil behind all this. There is a very well conceived plan to ruin the reputation of Cabrera. The best way now to damage the reputation of a decent and independent politician throughout the world is to accuse him of being a suspect in narcotics trafficking, even if this can never be proven.

Several politicians including those close to President Arias have been accused of drug trafficking. They almost

forced him. Actually they forced the Arias government to accuse several officials to whom nothing could be proven concerning drug problems.

The trouble is that I am not going to make changes based on suspicions. If they prove to me that a person is involved in drug trafficking, I will make changes. However, I will not do this to satisfy the wishes of other persons. I will not do this because this would be an act of injustice on my part to protect myself politically. I believe that one should be firm and loyal to achieve things, even if they want to remove us.

Let them listen to us and show us. Just look at what Lieutenant Minera said. He claims he saw a report that involved the candidate's brother; the report said that he had been arrested. That is an absolutely false statement. He should present evidence to show this. There was a report that came from abroad—and we said this then—that said that it was suspected he was going to receive a suitcase with drugs.

We carried out a sting operation and he did not fall. The report added that he had a diplomatic passport that he used to smuggle drugs in the suitcase. Go to the Guatemalan Foreign Relations Registration Office. There is no diplomatic passport issued in the name of the brother of Alfonso Cabrera, at the time the latter was foreign minister. There was never such a thing. If they say there is drug trafficking, they should prove this.

* Campesinos Organize To Resist ORPA

90EM0114A Guatemala City PRENSA LIBRE in Spanish 1 Mar 90 p 2

[Article by Silvino Velasquez Juarez]

[Excerpt] Hundreds of inhabitants of Santa Maria de Jesus, Sacatepequez, gathered yesterday in that community's park to adopt measures for avoiding a guerrilla incursion and decided to form civil self-defense patrols [PAC].

Through a loudspeaker placed on top of the local parish church, a male voice called on the population to gather at 11 am in the local park and address issues of that town's security, following the armed clash the day before yesterday in the afternoon between guerrillas and Army troops.

Afterwards, an Army official from military zone 303, with headquarters in Chimaltenango, spoke at the event and called upon the inhabitants to not let themselves be deceived by the false promises guerrillas of the Revolutionary Organization of the People in Arms (ORPA) have been making in different towns of the region.

Likewise, he energetically denounced the death of the child and the injuries suffered by four others, and said that with these actions the subversives hope to come to power at the cost of innocent blood. "Our soldiers bravely faced the guerrillas and made them flee into the mountains, in frustrating their attempt to take over that town," he stated.

The inhabitants unanimously responded that they were in agreement. After hearing this reply, the Army official offered to donate the necessary rifles to them and immediately organize PACs. He also said that leadership of the patrols would be the responsibility of serious and responsible persons, so to avoid abuses of power.

There were more than 2,000 people, both men and women, at the gathering. The inhabitants' primary concern was the tragic death of the child Alfredo Zunon Coroy, 3, and the four injured.

Gregorio Zunun said that it was the first time the insurgents had attempted to enter the town, and they did so in a violent manner. "We hope the Army will provide us with protection, for the comfort of our families," he emphasized.

More than 200 insurgents, including men and women, attempted to take the town of Santa Maria de Jesus, Sacatepequez, according to inhabitants of the second-largest community of that region, where the armed encounter took place.

The clash lasted 2 hours, with incessant rifle and heavy artillery fire on both sides. More than 15 families, whose houses were located in the area where the event occurred, were in danger. [passage omitted]

* INE Reports on Inflation, Imports

90EM0114B Guatemala City EL GRAFICO in Spanish 17 Feb 90 p 3

[Text] According to information provided by the National Statistics Institute (INE), the rate of inflation during the last week of December 1989 was approximately 18.5 percent, said Economics Minister Oscar Pineda Robles.

Nevertheless, it is important to note that before the economic measures were adopted by the Monetary Board, the rate of inflation had only reached 10.4 percent.

The information provided by the National Statistics Institute refers to slightly more than 200 products (essential products), whose prices did not increase by greater amounts because of the measures adopted by the Economy Ministry.

Export Figures

The total value of exports of traditional and nontraditional products, including to Central America, rose in 1989 to approximately $1,287.2 billion.

Of that amount, $649.2 million (50.43 percent) were traditional; nontraditional exports totaled $383.1 million (29.76 percent); and exports to Central America were $254.9 million, or 19.8 percent, approximately.

These are provisional figures provided by the Single Window for exports.

List of Maximum Sales Prices:

Minister Pineda Robles explained to the press that the list of maximum sales prices will be used as a temporary instrument to correct pricing disorders among essential products, to protect the consumer, and are based on a facility established by law.

He also clarified that essential products, whose prices increase in the market as a result of speculation, might also be incorporated into the list of maximum sales prices, for which he called upon all those involved in the production, marketing, and sale of essential products to abstain from speculating with their prices, so as to avoid being included on such lists.

* Congress To Act on Drug Laws

90EM0114D Guatemala City EL GRAFICO in Spanish 17 Feb 90 p 5

[Article by Bernardo Solares, Jr.]

[Text] The Congress of the Republic will shortly begin debating various legal projects with a view to resolving the drug smuggling problem.

This was indicated by Representative Hector Luna Troccoli (UCN [National Centrist Union]), who explained that it involved four important projects to combat drug trafficking.

Under these plans, prison terms of up to 30 years and fines of up to 2 million quetzales would be established.

One of these projects has already been completed and consists of a series of reforms to the Penal Code. It also contemplates the creation of a National Commission Against Drugs.

Luna added that the drafting of these projects was delegated to four prestigious Guatemalan lawyers, who will be provided with technical cooperation by the United States diplomatic mission.

The first of the four projects was recently delivered to the Government Ministry to be officially presented to Congress at the initiative of the Executive, which is the body that must assume responsibility for and make policy decisions to combat drug trafficking.

In these texts new descriptive terminology has been established, until now unknown in our legislation, such as "money laundering," a product of drugs and the disassociation from money or goods obtained in trafficking.

Nicaragua

Transfer of Presidential Power Protocol Issued

PA2803150190 Managua Radio Sandino in Spanish 1157 GMT 28 Mar 90

["Protocol on Procedures for the Transfer of Presidential Power;" issued by the Joint Commission for the Transfer of Power in Managua on 27 March—broadcast in progress]

[Text] ... have agreed to sign the following protocol on procedures for the transfer of presidential power of the Republic of Nicaragua:

I. General considerations:

1. It is the consensus of both teams that the results of the general elections held on 25 February 1990 in a clean and honest manner must serve to strengthen the democratic process in Nicaragua and to achieve a just and definitive peace encompassing all Nicaraguans without regard to political affiliation.

2. Therefore, firm bases must be established to achieve reconciliation, national harmony, and national stability in all spheres and to create a climate of confidence and security for all Nicaraguans.

3. It is also necessary to join efforts to consolidate peace and to achieve a lasting stability as indispensable conditions for the country's economic reconstruction.

4. All efforts must be carried out on the basis of a national understanding that will take into account the achievements and transformations implemented thus far for the people's benefit, and all must be based on full respect for rights, Nicaragua's Constitution and the laws of the Republic.

II. Bases for the Transfer

1. The implementation of the Toncontin Agreement, which was signed on 23 March 1990 in Tegucigalpa, Honduras, for the demobilization of the resistance forces before 25 April 1990, is an essential element for creating the climate of peace, stability, and tranquillity in which the transfer of power must take place.

2. The nation's defense and public order forces will be subordinated to the civilian power of the president of the Republic in accordance with the Constitution and laws of the Republic. Their size and characteristics will be redesigned according to the country's economic capacity and social needs and in accordance with the agreements of the Contadora Group and the Central American presidents. The Armed Forces will have a professional character and will not belong to any political party. Their members on active duty may not hold leadership positions in political parties. Activities of a proselytizing nature within the Armed Forces may only be carried out within the framework of the country's electoral laws. Respect for the integrity and professionalism of the

Sandinist People's Army [EPS] and of the forces of public order as well as for their ranks, promotion roster, and commands in accordance with the Constitution and the laws of the Republic is, in addition, a fundamental basis for the orderly transfer of power.

3. Along the same lines, as an essential part of the process of democratic consolidation, the integrity and independence of state branches must be strengthened on the basis of a correct enforcement of the Constitution and the laws.

4. It is agreed that it is necessary to provide tranquility and legal security to the Nicaraguan families who have benefitted from grants of urban and rural properties by the state before 25 February 1990, harmonizing such grants with the legitimate legal rights of Nicaraguans whose property was affected, for which purpose action must be taken according to law. Methods to provide adequate compensation to those who may be affected will be established.

5. The orderly transfer of executive power must be carried out within a framework of mutual assurance and confidence, devoid of any act of revenge, reprisal, or vengeance and in a climate of respect for the physical and moral integrity of persons. In this sense, both transition teams support the initiatives of public authorities [poderes publicos] aimed at creating a climate of national reconciliation and amnesty for the benefit of the Nicaraguan family, and they state that it is necessary to make certain that weapons and combat equipment will be solely in the hands of the Republic's armed institutions.

Moreover, it is understood that all labor organizations and community associations in the country will enjoy the guarantees established by the Constitution and the laws. In the same manner, monuments dedicated to the heroes and martyrs who fell in the struggle against Somozism and the homeland's defense will be respected.

6. The guarantee of job stability of government officials and employees on the basis of their efficiency, administrative honesty, and years of service is also supported by both teams.

7. The two teams agree that efforts—efforts which are to be carried out during the transition stage—must be joined to obtain international resources—efforts —to promote the economy's stability and growth. The bases included in this paragraph are, in general, the result of agreements expressed by the leaders of both teams at the meeting held on 27 February 1990 in the presence of the secretary general of the Organization of American States, Mr. Joao Baena Soares; Mr. Elliott Richardson, personal representative of the UN secretary general; and former U.S. President Jimmy Carter.

III. Procedures for Transfer of Presidential Power

1. To achieve an orderly transfer of the central government and state institutions, seven subcommissions composed of mixed teams appointed by the outgoing and incoming governments are established.

2. Beginning with the signing of this protocol and until 24 April, meetings and consultations of an informational and evaluative nature wil be held by the teams of the areas designated above.

3. The transfer process will culminate with the orderly turnover of the ministries and state entities by means of a memorandum [acta] signed by the respective teams. The memorandum will put on record the satisfactory turnover of the real estate properties, inventories, files, financial statements, and all other documents corresponding to the nature of each one of the ministries, entities, and production and service enterprises of public ownership. The Comptroller General's Office will take part in this process.

IV. Acts for Transfer of the Presidency

1. The organization of protocol ceremonies for the transfer of the Presidency of the Republic are placed under the responsibility of the Interior MInistry, which will appoint a team for such purposes. The team will begin consultations with the team appointed by the incoming government.

The following will be under the responsibility of the Foreign Affairs Ministry in consultation with the incoming government:
a. Invitations to the transfer ceremonies.
b. Protocol procedures for receiving foreign guests.
c. Logistical and protocol organization of the transfer ceremonies.

Issued in Managua on 27 March 1990

Defense Minister Comments

PA2803160590 Managua Radio Sandino in Spanish 1206 GMT 28 Mar 90

[Speech by Defense Minister General Humberto Saavedra at the Olaf Palme Convention Center at a ceremony marking the signing of the "Protocol on Procedures for the Transfer of Presidential Power" in Managua on 27 March—recorded]

[Text] Dear Nicaraguan people: Today the two transition teams concluded one month of work to ensure an orderly and peaceful transition. We wanted His Eminence Cardinal Miguel Obando y Bravo to witness the signing of this important document on the transition. On 25 February the Nicaraguan people voted for peace. On 25 February the entire nation, the peasant, the worker in the city, the professional, the little nun, the clergyman, the youth, the soldier—in short all our people—voted so that anguish, sorrow, suffering, and the unjust war our people have suffered would end once and for all.

On 25 February the citizenry also fulfilled the civic duty of casting their vote. The vote was made possible by the process that the revolution sponsored over 10 years. The people voted for the people's economic and social improvement. Although it is true that important

progress was made on this for the first time in Nicaragua's history during the last 10 years, we could not achieve progress in the best way precisely because of the difficult and adverse circumstances that the war basically imposed.

Therefore, our people and the entire nation voted for a definite and total peace. From the very first moment our most important and essential efforts sought this goal. We must strengthen this democratic way; it is indispensable, essential, and vital to stop the bloodshed and the suffering of our peasants. Those who did not quickly seek the Toncontin agreement—a historic agreement which included the participation of His Eminence Cardinal Miguel Obando y Bravo, whose spiritual strength made possible the quick positive results of this agreement—and those who irresponsibly chose to wage an unjust war must definitely support the agreement and accept the guarantees that the current government and the future government have been offering and strengthening through various international mechanisms such as the CIAV [International Commission of Support and Verification] and ONUCA [UN Observer Group in Central America], and through national mechanisms and different government, military, and security organizations to make this demobilization process possible and to provide more guarantees. They should not continue using their rifles to support a senseless cause.

We can only travel the path of peace. We must strengthen this democracy. All Nicaraguans, all voters, that 90 percent of the people who voted on 25 February, must protect and defend our democracy in accordance with the constitution. That democracy is a vital and important achievement of this Nicaragua, which for over 100 years did not have the kind of democratic process we have now opened. Thus, we must strengthen and consolidate that democracy.

The Toncontin agreement must be implemented as soon as possible. In that way, all Nicaraguans, including those who are still doubtful and who have not yet demobilized, can be part of our Nicaragua's triumph. In that way, they will also be the winners of 25 February, because on that day we all opened this democratic process within a new constitutional framework forged with much heroism, blood, and sacrifices. We opened this democratic process within the framework of a mixed economy, political pluralism, nonalignment, dignity, patriotism, independence, nationalism, and anti-imperialism. Our people inherited those values from our independence heroes in the last century and from our thinkers, such as Ruben Dario, Cesar Augusto Sandino, Benjamin Zeledon, Rigoberto Lopez Perez, and Carlos Fonseca.

The democratic process we have opened must be protected by all Nicaraguans. Its strengthening must help those who still doubt and those who have not yet demobilized to do so.

Cardinal Obando y Bravo has repeatedly appealed to the deep spirit of reconciliation and fraternity that exists here in Nicaragua. That is the right thing to do. Nicaragua has struggled for over 100 years of its history. It has lived among confrontation, passion, and struggle. Nicaragua has been manipulated by our neighbor to the north, which only now—after former president Reagan left the government—begins to send different signals to Nicaragua so that a worthy and respectful relationship—like the one we tried to maintain in the past—can exist.

The spirit of national reconciliation and fraternity that Nicaragua needs and that all the people who voted on 25 February demand will only be strengthened if the demobilization process is conducted immediately. It will only be strengthened if those gentlemen who are still beating the war drums and who are still trying to manipulate the majority of forces who have not yet demobilized are isolated and neutralized by all voters, just as they are being isolated by the international community.

This process of reconciliation and spirit of fraternity that the Nicaraguan people are crying out for will become true as long as the forces that have not yet demobilized proceed to do so. We hope that those forces will not wait any longer, because the guarantees that have been offered and strengthened are more than enough.

Our military and security authorities have adopted specific measures to further ensure that the government facilitates the demobilization of the counterrevolutionary forces.

Today Major General Joaquin Cuadra, army chief of staff, met at the border with top Honduran Army authorities, headed by the Honduran Joint Chiefs of Staff, to discuss this and other issues.

As you well know, yesterday there were various working meetings with ONUCA forces to expedite this demobilization process. We are confident that once this process is implemented, we will be able to face the great task of reconstructing Nicaragua—the great future task of strengthening the democratic process that began on 25 February. We want to ensure that the future of all Nicaraguans will be totally different from the past painful 10 years that the Sandinist government had to go through; that the new governments that emerge from this democratic process will not be boycotted and sabotaged by Nicaraguans and their political groups; and that the new governments are not besieged, suffocated, bled, and forced to defend themselves with arms against unjust wars and policies. That is the spirit that moved 100 percent of the voters on 25 February.

The transfer we have ordered in this document is meaningful, because today, through this document, we are not only transferring presidential power, but actually transferring the foundations of a new Nicaragua. This new and democratic Nicaragua was made possible in 10 years by the blood, sweat, and sacrifices of the Nicaraguan people. It was made possible through the sacrifices of the country's most humble groups and all the groups that were engaged in the war with the Sandinists.

We are sure that in this democratic process—which has been opened amid economic and social uncertainty, amid a confusing world, amid an overwhelming situation for the Latin American people, and amid the development of unequal and disadvantageous relations for small Third World countries—Nicaragua will prevent the imposition of the extreme right, which is trying to turn back progress made in more than 150 years and the incredible progress achieved in the past 10 years. Nicaragua will also prevent the opportunist extreme left from attempting, through other means, to hinder the democratic path that the Nicaraguan people demanded with their votes on 25 February.

We have worked in this spirit and we believe that we must continue working in the future in the same spirit. We will be a united people moved by the certainty that once and for all these forces which have not yet demobilized will finally do so; we will be united and watchful as a whole to neutralize and place those who do not follow this peaceful and democratic path in Nicaragua where they belong.

UNO Official on Protocol

PA2803235690 Managua Radio Catolica in Spanish 1130 GMT 28 Mar 90

[Text] [Announcer] A few moments ago we heard Antonio Lacayo read the document signed by the commissions for the transfer of power in Nicaragua. It was described as a document of reconciliation. It noted that the Sandinists will transfer all power to Nicaraguan President-elect Violeta Barrios de Chamorro without any conditions. Meanwhile, the new government offered legal guarantees to the Sandinist commanders and Sandinists in general.

Here with us is Adan Fletes Valle, one of the leaders of the National Opposition Union [UNO] and the Nicaraguan Christian Democratic Party. He is mentioned as one of the strongest candidates for president of the Nicaraguan Legislative Branch once the new government assumes power. We would like to hear Adan Fletes' opinion on this document, which is undoubtedly of great importance to Nicaragua.

[Fletes] I agree. This document—a protocol outlining procedures for the transfer of the Presidency of the Republic of Nicaragua—is of great importance to the country. It is something that the Nicaraguan people had hoped for. It has to do with strengthening the democratic process in Nicaragua, as well as aspects related to the Armed Forces. The Armed Forces will become a National Army and not the army of a political party. Its members cannot be leaders of any political party shows that we will have an army with real national characteristics, which is one of the necessary factors for the democratization process. This is very important, as is banning political activities within the armed forces. On the other hand, civilian authority has been recognized based on the results of the past elections and on the Constitution. That principle was reaffirmed in the document. Another important aspect is the readjustment of the Armed Forces according to the country's needs. Obviously, a country that has spent more than half of its budget on the Armed Forces while facing grave problems in its economic and social development must restructure its national budget and transfer the funds previously used in the military field to the social sector, to satisfy Nicaragua's needs for health, housing, education, and economic development. I believe that this is a step forward in Nicaragua's democratic process.

[Announcer] What do you think about the legal guarantees given to the Sandinists in that document?

[Fletes] UNO's government platform establishes as a basic and essential part of its program the need for national reconciliation, which cannot be achieved through political revenge. That is why even before the electoral campaign we were aware that the new government would have to implement a peace process inside the country. In that sense, we always knew that the new government could not act as previous governments and that it would need to have respectful relations with all political parties, including the losing party, in this case the Sandinist National Liberation Front [FSLN]. I believe that the FSLN has tried to include in this protocol a number of principles that were already part of UNO's mentality and government platform. UNO has always always been against political revenge in Nicaragua. Therefore, I also believe that we have entered a new phase in Nicaragua's political history. I believe that we are about to begin a process of economic, social, and political development in the country that will place Nicaragua at the head of Latin American countries in a few years.

[Announcer] After reading the document, we could not clearly understand what will be done with state security.

[Fletes] That was not clearly stated in the document. However, in a country that is entering a peace process, a country going through a democratization process, state security functions do not have the importance they had in past decades. I do not think that a new democratic government will need the apparatus that was created in Nicaragua. I believe that there is another important factor. There must be only one armed forces. There cannot be several kinds of armed forces. There should be a police force to control common crime, but the armed forces' role should be different. This country is not facing a threat of invasion from a foreign country, so there is really no need for armed forces to face such situations. In addition, we are amid a democratization process in which the rules of the game are very clear, so there is no need for an army to carry out a coup d'etat, or to repress the people. Therefore, I believe that the armed forces' role will be more professional, that its members will develop a career similar to the diplomatic sector, based on merit and capabilities. In this case, merit will not be based on armed conflicts as in the past, but on other values related to the democratization process.

[Announcer] We also now have lists of candidates for cabinet posts. We know about the list of candidates released by the UNO Political Council, the list submitted by the Higher Council of Private Enterprise [COSEP], and apparently some political parties have presented their own lists. What do you think about the candidates being nominated for these posts?

[Fletes] I believe this a very important situation. The national media is now discussing different names of people for each ministry. This shows that we are about to enter a democratic system of government. In the past, a small inner circle appointed ministers. Ministers were nominated by a small group of people. The appointment of a minister was almost a secret. Now it is a public affair. The people may now give their opinions and they should give their opinions on the names of people that are being proposed for the cabinet and other government posts that must be filled in Nicaragua.

Therefore I believe this is a healthy practice. We are trying to build an open society, which will replace a closed society. An open society requires an opening at all levels. In this case, the people are giving their opinions on the issue. This also shows that the people have human quality and quantity to lead the government. UNO counts on a huge number of professionals with great capabilities to rule the country and to make it prosper.

Something else I consider important is that UNO officials want to serve the people. UNO officials who will hold government positions will have to make a declaration of assets before entering and after leaving their posts. This is very important, because the government is not meant to make people rich. The government is not to serve just certain people either.

[Announcer] We are very thankful to Mr. Adan Fletes who has been answering our questions here in Radio Catolica's broadcast booth. Despite losing his voice, he is making a great effort to express his thoughts.

We would like to add another question now that we are talking about nominations for the new cabinet. We would like to know what criteria will be taken into account in choosing the cabinet. Here we have the newspaper LA PRENSA, which states that sources from the president-elect's offices have said that the criteria that will be taken into account for the appointment of the president's cabinet will be: technical capabilities, honesty, and prestige, not political commitments. The ministers must also be committed to the fatherland and must have management and organizational capabilities.

Dr. Jose Maria Morales Urbina said in the morning newscast of Radio Noticias on 27 March that it was not enough for the nominees to be honest and competent, but it was also necessary for them to be useful to the fatherland. We would like to hear your opinion about this.

[Fletes] I believe that the cabinet of President-elect Violeta Barrios de Chamorro must be pluralist and multicolored, to say it in political terms.

In the political sector, there are a large number of people with the capabilities and characteristics that were pointed out. There are men and women who have the experience, who are honest, and have been committed to the struggle of the Nicaraguan people. I believe the country wants to see those men in those important posts.

UNO has assumed a responsibility for the country. They have promised to implement a government plan. One of the areas in which the government plan is implemented is through the cabinet.

Mrs Violeta Barrios de Chamorro has also promised to govern with this alliance, which nominated her as presidential candidate and helped her win the country's presidency.

Undoubtedly, when a person has been elected, she not only becomes the president of UNO, but of all the Nicaraguan people. Because of this, the responsibility of a president is greater than that of a candidate. Undoubtedly, the pillars of a democratic system are the political parties. There cannot be an effective government without the participation and the presence of the political parties. We must take into account that the National Assembly consists of political parties. The social forces of the country are also organized into political parties. A government needs to be defended by political parties. It also needs the support of political parties to make progress. There are people who have technical capabilities and who do not belong to any political parties, but they may be nominated by political parties for technical reasons.

The country needs a process of democratic institutionalization. This process requires strong political parties. A democracy cannot be built on weak parties. Latin American and world history on democratization processes shows this.

We are about to make very important decisions and great intelligence is needed to choose among the country's human resources. I believe that Mrs. Violeta Barrios de Chamorro has shown she has those capabilities and that she will have the responsibility to lead this country. I also believe that good relations between the executive and legislative branch, as well as between the political powers and the armed forces, are necessary to help Nicaragua achieve its economic, social, and political development, which I really believe is irreversible. We are headed toward a democratic society which will mean happiness for the Nicaraguan people.

This will carry a price. Sacrifices will have to be made. Nothing good can be achieved without the people's sacrifice.

The Nicaraguan people have given—and I said this earlier—a great lesson to the world. They have shown

great civic maturity. In exile, the Nicaraguan people have shown their capacity to work and intelligence. The people who have remained in the country have shown a capacity to resist and they have also shown a commitment to the country's social, economic, and political development.

Therefore, I believe that the Nicaraguan people have the capacity to come out ahead as the Japanese people did with their country and as the Germans did with their fatherland. The Nicaraguan people have the means to come out ahead. We will come out ahead and we will have great economic, social, and political development.

Nicaragua is headed toward progress.

Contra Adviser on 'Positive' Pact

PA2903040290 Hamburg DPA in Spanish 2247 GMT 28 Mar 90

[Text] Tegucigalpa, 28 Mar (DPA)—Mario Benito Arce, adviser to the Nicaraguan Resistance (RN), in statements to DPA over the telephone, said today that the Nicaraguan contras in Tegucigalpa consider the agreement signed on 27 March by the Sandinist government of Daniel Ortega Saavedra and the future government of Violeta Chamorros a "positive step." The agreement is regarded in Managua as vital for the peaceful transfer of power. Mario Benito Arce added that it was positive that the Sandinists had agreed to separate the police force from the Interior Ministry, since it had been within the Sandinist structure, and that the police will be under the control of the civilian government.

Arce also said that reducing the Sandinist People's Army is also a positive first step, adding that after Chamorro has become president she can ask the people to vote in a referendum to decide whether they want to keep the Nicaraguan Army. Arce noted that the Sandinists are beginning to understand the situation, in particular that the political constitution grants broad powers to the future president of Nicaragua.

Regarding the Toncontin agreements, which state that the contras will demobilize before 20 April, Arce said that there are two factions within the rebel group. Some prefer to remain in the Yamales camp, located in eastern El Paraiso Department, Honduras, and hand over their weapons there to the UN Observer Group in Central America (ONUCA). Others prefer to cross the border and move to enclaves with their weapons while they become integrated into society.

Arce also said that it is clear that Honduran territories where the contras camps are located will be demilitarized before 20 April.

Godoy Comments on Cuba, Talks With Exiles

PA2903010690 Managua Radio Corporacion in Spanish 2311 GMT 28 Mar 90

[Text] Virgilio Godoy Reyes said today that the National Opposition Union [UNO] government will not accept any meddling, much less from Cuban dictator Fidel Castro. Godoy Reyes, who is in the United States, said that no interference by the Cuban regime in the new democratization of Nicaragua will be tolerated. We have a special report from Miami.

[Begin recording] [Miami correspondent Jorge Huembes] Nicaraguan Vice President Elect Virgilio Godoy has said in Miami that the future government of President Elect Violeta Barrios de Chamorro will deal with the problem of illegal confiscations according to the law and without malice. Regarding foreign policy, Godoy warned that no meddling in Nicaragua by the Cuban regime will be tolerated.

[Godoy] Relations are such that they could be called normal. The Cuban military and technical cooperation missions have evacuated their members from Nicaragua, and as long as the government maintains its respect and consideration for the new government, there should be no problems. However, we will not tolerate any Cuban meddling in our country.

[Huembes] During a meeting held on 27 March with hundreds of Nicaraguan exiles, Godoy was also asked what new changes the government had planned and when they would be implemented. He urged the exiles to have patience and at the same time acknowledged that Nicaraguan society is deeply divided. Godoy added that the past 10 years of the Sandinist regime cannot be forgotten and that it is impossible to reconstruct the society with hatred. [end recording]

Mayorga Announces New Currency To Be Issued

PA2903021090 Panama City ACAN in Spanish 0115 gmt 28 Mar 90

[Text] Managua, 28 Mar (ACAN-EFE)—Franciso Mayorga, Nicaraguan President-elect Violeta Chamorro's chief economic adviser, announced today that a new Nicaraguan currency, which will be on a par with the U.S. dollar, will be issued in July. The new currency that Mayora has called the "cordoba oro" will replace the "cordoba nuevo" three months after the Chamorro cabinet takes office.

In remarks to Chamorro's newspaper LA PRENSA today, Mayorga said that the people "can go to all banks and change their old bills for the new currency, in a gradual manner and without the deadly installments" established by the Sandinists in 1988. "When we take power," Mayorga noted, "we will order that the cordoba oro be printed to replace the Sandinist bill that is worthless, since it carries the cancer of inflation and devaluation."

The economic plan proposed by Mayorga is designed to eliminate inflation in "a few weeks," accelerate economic growth in "just 10 months," and do away with the periodic devaluations the Sandinist regime had been implementing to correct distortions in prices and wages, as well as stimulate agricultural production for exports and curb inflation.

Mayorga's announcement comes at a time when the price of the dollar has gone through the roof on the "black market," by more than 100 percent, according to Vilma Ubau, an economist of the Nicaraguan Institute for Research and Social Studies (INIES). The price of the dollar on the "black market" has gone from 65,000 to 120,000 cordobas since 25 February. Meanwhile, the official exchange rate for the dollar is 46,380 cordobas, while it sells for 60,000 at the authorized free market. INIES Director Francisco Lopez, who has ties to the government, recently criticized the change of currency by the new government because he felt that to make this sort of announcement in a country that is experiencing an inflationary situation is "counterproductive."

Communique on Meeting With Honduran Armed Forces

PA2903042990 Managua BARRICADA in Spanish 28 Mar 90 p 5

[Communique No. 3 issued by the Defense Ministry in Managua on 27 March]

[Text] The Defense Ministry hereby reports that:

1. At the request of the Honduran Armed Forces, delegations from the Sandinist People's Army [EPS] and the Honduran Armed Forces met at 0900 today, 27 March 1990 at the Las Manos border post in the 1st Military Region.

2. The Nicaraguan delegation was led by Major General Joaquin Cuadra Lacayo, chief of the EPS general staff. Other delegation members were: Colonel Oswaldo Lacayo Gabuardi, deputy chief of staff; Colonel Antenor Rosales, chief of the 1st Military Region; Lieutenant Colonel Manuel Rivas Guatemala, chief of the Sandinist Navy; and Lieutenant Colonel Ricardo Wheelock, chief of Military Intelligence.

The Honduran delegation was led by Colonel Jose de Jesus Vanegas Medina, chairman of the Joint Chiefs of Staff of the Honduran Armed Forces. Other delegation members included: Colonel Luis Alfonso Discua Elvir, chief of the Navy; Colonel Celan Meza Pineda, chief of the 110th Infantry Brigade; and Colonel Hebert Pastor Munguia Morales, chief of Military Intelligence (G-2).

3. The meeting was held within a framework of respect and understanding where the delegations discussed the topics of common interest and their solutions.

Issued in the city of Managua, 27 March 1990.

Public Relations Directorate of the Defense Ministry.

Panama

Foreign Minister Denies Calling U.S. 'Insolent'

PA2803194290 Panama City ACAN in Spanish 1603 GMT 28 Mar 90

[Text] Panama City, 28 Mar [ACAN-EFE]—Panamanian Foreign Minister Julio Linares today emphatically denied that he had called the United States "insolent" because of the amendments the U.S. Senate made to the Canal Permanent Neutrality Treaty after it was signed in 1977. Linares said that he never made such a charge during a news conference on 26 March, when he said the Senate amendments grant privileges to the United States that compromise the canal's neutrality.

According to the foreign minister, at the end of the conference, "in the heat of the questions and answers, the most I could have said is that some of these amendments might be considered insolent."

"However, that is very different from calling a country insolent," as I was cited as doing, the minister said.

Linares insisted that "the tone is very different, because it is not my custom to be offensive to any state."

During the news conference on 26 March, the foreign minister criticized the canal neutrality treaty, but said that Panama is not planning to denounce or renegotiate it for the moment.

Deputy Foreign Minister on Relations With Cuba

PA2803222790 Panama City Radio KW Continente in Spanish 1725 GMT 28 Mar 90

[Interview with Deputy Foreign Minister Juan Manuel Castulovich by Roberto Cubilla; date and place not given—recorded]

[Text] [Cubilla] Good afternoon listeners of Radio KW Continente. Panamanian Deputy Foreign Minister Juan Manuel Castulovich has announced that the diplomatic relations between Panama and Cuba have been broken in practice, but not officially. Castulovich made the following statements:

[Begin recording] [Castulovich] The most recent decisions made by the Panamanian Government, based on the hostile attitude toward the Panamanian Government shown by the Cuban Government through all its representatives in the various international forums, forced the expulsion of the Cuban ambassador to Panama, who left today.

From now on, whatever happens between our two countries will depend on the Cuban Government. In other words, the ball is now in their court. It is now up to the Cuban Government to decide whether it wants to maintain harmonious relations with the Panamanian Government. We adopted the measures that we did because circumstances forced us to defend the dignity and honor of a democratic regime which was elected overwhelming by the majority of the Panamanian people.

[Cubilla] Does that mean Ambassador Lazaro Mora showed disrespect for the current Panamanian Government?

[Castulovich] No, Mr. Mora behaved like a gentleman in his relations with the Panamanian Foreign Ministry, and

we said this in the communique we sent to him. Through its diplomatic representatives at various international forums, the Cuban Government leaders have repeatedly displayed a disrespectful attitude toward the Panamanian Government. That attitude is what we tried to eliminate with Ambassador Mora's expulsion.

[Cubilla] Does this mean that in reprisal for the attitude of the Cuban Government, our government decided to expel the Cuban ambassador to Panama?

[Castulovich] The word reprisal is not used in foreign relations. When a country feels it has been offended by another country, it can express displeasure with that country by undertaking certain measures which, as in this case, include the expulsion of that country's ambassador. The Panamanian Government's justification for its decision is perfectly understandable: If the Cuban Government does not recognize President Endara's government, which is the legitimate representative of the people's will, there is no reason for Cuba to keep an ambassador in Panama. Therefore, as a first step, we decided to expel the Cuban ambassador. If the Cuban Government's attitude remains unchanged, we would then decide on our next step.

[Cubilla] Does this mean that the Panamanian Government is going to break relations with Cuba?

[Castulovich] Within the framework of modern foreign relations, breaking relations is not the custom. Relations are maintained at either a high, intermediate, or low level, depending on the circumstances. Presently, our relations with Cuba are at a very low level. [end recording]

Arias Announces Changes in FP Organization

PA2903020290 Panama City Circuito RPC Television in Spanish 2316 GMT 28 Mar 90

[Text] Dr. Ricardo Arias Calderon, vice president of the Republic and government and justice minister, announced today changes in the organization of the Public Force [FP].

[Begin Arias recording] As this administration has developed, four services have emerged, separate from each other, each one having its own director general.

Therefore, Colonel Eduardo Herrera Hassan, the first chief of the FP, has now been appointed director general of the National Police. He will not have any authority over the Air Service, the Maritime Service, or the former Presidential Guard.

The only person who will have the title of chief of the FP is the president of the Republic.

A director general will be appointed for each of the other services. I believe this will be announced next week. [end recording]

Report on Political Analysis Document

PA2903034990 Panama City Radio KW Continente in Spanish 1251 GMT 16 Mar 90

[Report on document entitled "Political Analysis of a Possible Opposition," read during "The Word" commentary program by program host Omaira "Mayin" Correa and station announcer Simon De la Rosa—passages within slantlines denote side comments by Correa]

[Text] [Correa] Friends, a "Political Analysis of a Possible Opposition" is a document that Simon and I are going to read. It fell into the hands of someone who has sent it to us so that you listeners can learn what is being done by the Norieguists, the pro-dictatorship sectors, who are already organizing to fight against the democratic government of reconstruction and to carry out political agitation in the country. Learn from this document everything that is being done by the other side—the people who supported the dictatorship and participated in the destruction of the country, such as Rodolfo Chiari, Dario Gonzalez, Angel Jaen, Carlos Orillac of the Liberal Party, Juan Medrano, Nestor Tomas Guerra, etcetera—all of the dictator's henchmen who brought us to bankuptcy and who for 21 years were feeding off the country's budget. In other words, they miss that now, even though they have a lot of money. They are pining for all of that.

Let us see what is in this political analysis by the opposition as a starting point for its actions:

1. Previous investigations:

To have a criteria on which to base this analysis, I personally interviewed the following persons, who—because of their outstanding political and social positions—are generally well-informed about political activities in the country: Ernesto Perez Balladares //how ambitious this man is// Adolfo Ahumada, and Romulo Escobar Bethancourt from the PRD [Democratic Revolutionary party]; Rodolfo Chiari, Dario Gonzalez, Angel Jaen, and Carlos Orillac from the Liberal Party; Juan Medrano, and Nestor Tomas Guerra from the Labor Party [Pala]; Miguel Porcell from the People's Party; and Humberto Ricord, lawyer and university professor who does not belong to any political party.

Each of these interviews covered all the points of a basic questionnaire, which I drafted to obtain objective and conceptual information.

All of these people have said that they are willing to participate in a group that organizes a serious, strong, and high-level opposition against the current government. They have also said that it is necessary to wait a few months to see if the vengeful attitude of the government cools off; otherwise they would be exposing themselves to political persecution that could adversely affect the movement.

I must point out that by means of the interviews with the PRD members, I learned that serious differences of an apparently strategic nature emerged within the CEN [National Executive Commission of the PRD] a few weeks ago.

[De la Rosa] Ernesto Perez Balladares, Carlos Duque, Carlos Ozor Romulo Escobar Bethancourt, and Adolfo Ahumada, and also Hugo Giraud have formally proposed that all members of that commission resign so the party can be reorganized with new leaders more acceptable to the public.

During the meeting, Darinel Espino, Mario Rognoni, Pedro Pereira, and Mario Mezquita were opposed to the changes because, according to them, it would be a measure that would weaken the PRD. The matter was left unresolved until a later meeting. However, those who wanted the changes told me they would be able to obtain them because they have the support of the majority, but they did not want to exert pressure now to avoid any strong resentment.

2. Possibilities:

There are not only possibilities; the decision has been made to organize a strong opposition against the current government. To achieve this, talks have already been held among top leaders of the parties and groups mentioned above. I may add that former President Manuel Solis Palma, on the different occasions when I visited him at his home before he sought asylum at the Venezuelan Embassy, took steps in my presence to regroup several political leaders and guide them toward an opposition attitude.

Among the leaders who talked with him in my presence I can recall Angel Jaen, Dario Gonzalez, and Targidio Bernal from the Liberal Party...

[Correa, interrupting] Antonio Alessandria and Nestor Tomas Guerra from the Pala; and Luis Navas, Jorge Ritter, Hugo Giraud, and Ernesto Perez Balladares from the PRD.

3. Reasons behind the creation of the opposition:

According to my viewpoint of the situation as a result of the interviews, the talks I held with Solis Penca—sorry, it is Palma—Solis Palma and the leaders I have already mentioned, the reasons behind the creation of the opposition and which will be exploited by its leaders are the following:

A. The well-known version that Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford asked for the U.S. invasion; the violent way in which it was carried out; and the number of Panamanian civilians who were killed during the armed conflict. This cause, however, will have no effect until the general euphoria produced by the overthrow of General Manuel Antonio Noriega dies down.

B. The fact that Endara and his vice presidents were sworn in on a U.S. military base, outside our nation's jurisdiction.

C. The government's vengeful political attitude to the point that it has disregarded the right of asylum, which has always been respected in Latin America.

D. The radical positions adopted by the Christian Democratic Party, the main spokesmen of which are Dr. Ricardo Arias Calderon, the first vice president, and the government and justice minister.

[De la Rosa] E. The already expressed government decision to negotiate the operation of U.S. military bases beyond the year 2000.

F. The mistakes committed by the government and its incapacity to resolve the problems of the poor.

4. The parties that will comprise the opposition:

All the groups with which I held talks have said that, in the beginning, the opposition must consist of new leaders or people who have not been discredited regardless of party representation, however, most of them will be members of Colina [National Liberation Coalition].

5. Other groups that will later participate in the opposition:

A. Former members of the Panama Defense Forces [FDP], who are resentful because they were displaced and do not know what else to do but serve in the military.

B. Students, because they have always shown great nationalist feelings and they have always protested against the United States.

C. The Fenasep [National Federation of Associations of Public Employees], because they will continue to fight against the government for the dismissal of public employees.

D. Government employees who were dismissed.

E. Labor unions and peasant organizations that are disappointed with the aspirations and gains.

[Correa] F. Leftist political parties, whose spokesmen are saying that the lower classes have been displaced from top government positions where they have participated since the times of Omar Torrijos, to be replaced by upper class officials. Although the members of these parties will not comprise the opposition at first, they will join later and become the most violent opponents of the government.

6. Analysis of these political parties and groups:

The PRD was founded and guided to power by Omar Torrijos, who gave it a strong nationalist spirit and tried to organize it like Mexico's PRI [Institutional Revolutionary Party] in an attempt to retain political power for

a long time. It was in power for several years with the open political and economic support of the government until the current government came to power. Omar Torrijos gave the PRD and the government a sharp populist tendency so it could serve its political aspirations. Even though its leaders said the PRD was a pluralist party, it is evident that those from the so-called quote tendencia unquote leftists are those with the most power because they were able to impose their ideas with political ability under the pretext of following the ideals of Torrijos, who fooled the powerful economic and social classes and the U.S. Government.

[De la Rosa] The PRD was an appendage of the FDP and when the FDP was discredited by its own mistakes, the PRD also lost public support. The most important PRD leaders currently are Carlos Duque, Carlos Ozores, Darinel Espino, Pedro Pereira, and Ernesto Perez Balladares, but is is almost certain that the latter will be the top leader if the changes he has been promoting for the past few weeks take place.

Pala was founded and organized several years ago by Mr. Carlos Eleta along with several politicians from the interior. The party principles include defending the rights of workers and farmers. It also promised to promote production in Panama City and in rural areas, but actually it has only been an electoral party. It was organized so its top leaders could exert influence and political strength to defend and extend their personal interests. About three years ago, Ramon Sieiro, brother-in-law of Gen. Manuel Antonio Noriega was able to assume the leadership of Pala with the support of Noriega; he expelled Mr. Carlos Eleta and his followers. Lacking real principles, without any traditions, and without any truly popular support, Pala was the victim of arrogance and the serious mistakes committed by its leader Ramon Sieiro, who...

[Correa, interrupting] ...inflicted irreparable damage by visibly showing off that the party followed FDP guidelines. Currently it has tenuous political power. Its most important leaders are Ramon Sieiro, Juan Medrano, and Nestor Tomas Guerra.

The Liberal Party is the political group with the most historical tradition and with the greatest support in Panama. It existed even before Panama won its independence from Colombia and it has participated in every political campaign that has taken place in Panama since. For many years, it was the party with the greatest popular support and was well-known for the economic and social development work it accomplished when it was in power through several presidents, but the jealosy and stubborness of many of its leaders caused it to lose strength among the voters.

Currently, there are three Liberal groups that act separately and in many aspects they oppose each other, despite having similar ideologies and principles.

The most outstanding Liberal Party leaders are: Rodolfo //Popito, the scourge of the Panamanian media// Chiari, Gonzalo Tapia, Angel Jaen, Dario Gonzalez, and Carlos Orillac.

The People's Party is the oldest of all Marxist groups in the country. For many years, its members have gone underground because of political persecution against them as a result of their revolutionary ideology.

[De la Rosa] In 1925, they had outstanding participation in the Tenants Movement which they organized through people's organizations called tenants leagues. This movement was crushed by the National Police, the only armed force in the country. Some people were killed and others were injured, and the government asked for U.S. military intervention, resorting to a constitutional ordinance that was in effect at the time. The Communists have never been a large group in Panama. They have always been a minority, but their leaders have always been skillful and aggressive and they have been able to infiltrate certain groups such as labor unions, peasant settlements, and student associations.

When Omar Torrijos came to power, he granted greater participation to the communists by appointing several of them to top government positions and allowing them to organize a political party for the first time in the country's history.

The most important leaders of the People's Party are: Cesar de Leon, Cleto Sousa, and Miguel Porcell.

Other parties that are now in the opposition are: the Revolutionary Panamenist Party led by Luis Gaspar Toty Suarez; the Democratic Party of the Workers led by Eduardo Rios; and the Workers Socialist Party [PST] led by Graciela Dixon. They have so little support and political backing that they do not deserve a detailed analysis.

[Correa] //I wonder what our friend, Ramon Jimenez Velez, who talks here every morning, would say about this statement that is not even worth mentioning.// The first party is a small faction of the Panamenist Party founded and led by Dr. Arnulfo Arias with great popular support. Luis Gaspar Toty Suarez put the party at the disposal of the FDP, and rather than a political organization, it became a paramilitary group that followed the orders of the FDP. It did not help the other Colina parties because it only discredited the coalition and it contributed to their defeat in the 7 May elections last year because of its vandal and criminal actions.

The two other parties mentioned above are extreme leftist parties, with the only difference that the PST leader is respected because of the sincerity of her convictions and her political honesty, while Eduardo Rios is a great demagogue without scruples and principles.

//This is Colina saying this, not me, so let no one decide to sue me.//

7. Other groups that may join the opposition in the future are: the peasant settlements, the Fenasep, and the Student Federation, with which the promoters of the movement have already made contact according to what has been said by Dr. Ernesto Perez Balladares, //the textbook thief// [Correa had stated, prior to reading this document, that Perez Balladares was a thief because he stole $60,000 worth of books from her sister].

Mr. Julio Bermudez, a well-known leftist militant, has been the guide and main leader of the peasant settlements since they were organized under Omar Torrijos. The settlements were organized to increase production by giving the peasants incentives. The program started very...

[De la Rosa, interrupting] ...enthusiastically as many persons directly aided the small producers in each of the settlements. They also made the peasants believe that they would receive significant economic benefits. However, although the peasants attained a sense of cooperativism and mutual aid that has partially served to improve the level of production, up to now the experiment has not rendered the expected results. Since Torrijos' time, however, the leftist sectors have taken advantage of the peasant settlements to infiltrate the small producers' areas to explain their principles and try to conquer them politically. These organizations have political potential that has still not been developed and shows possibilities of becoming a considerable force in the future.

Since Fenasep was formed, it has covertly cooperated with all the governments that have operated under the influence of the FDP. It is true that they have defended public employees when they have been fired but, when controversies were very strong, Fenasep has reached convenient and rational understandings with the government. Fenasep leaders would explain to public employees then, that these understandings were justified because, in the end, the institution was part of the process. It is true that Fenasep does not control public employees politically, but it does have the support of a large percentage of them.

[Correa] Its main leaders are, among others: Hector Aleman and Omar Williams—both young, intelligent, and well-prepared—who have managed to instill employees with the nationalist principles proclaimed by Omar Torrijos.

The Student Federation has a long nationalist struggle that dates back many years prior to the 1968 military coup. It is characterized by its marked aversion to the United States whom it has blamed for harming Panama's national sovereignty and interests. Generally, it has struggled against the governments and attacked them for violating public liberties or for not defending the Panamanian cause from U.S. actions. It is a group that can easily be impressed on those topics, especially because its members are young and very emotional. I do not have reports on who Fenasep's top leaders are at present.

8. Possible alliances and probable ruptures:

The opposition movement's initiators, like Ernesto Perez Balladares //the textbook thief who sold books that belonged to somebody else for $60,000 and has not paid for them//Jorge Ritter, and Manuel Solis Palma do not believe that the leftist parties should be invited to enter the group yet, but, if needed, they should be invited at a later date. They want to participate and it would not be politically expedient to reject them. //In other words, they are being used. Hey lefties, do not let yourself be used by these millionaires. Perez Balladares is a millionaire that uses the leftists. Do not let yourself be conned. Hear what it says here, that you are to be used later, when you are needed. How awful!//

Parties that are considered adequate to form part of the movement since its initiation are most of Colina's militant parties and, later on, allow some of the independent movements to become allies...

[De la Rosa, interrupting] ...such as businessmen and, probably, the Authentic Liberal Party, if it splits with Endara and Arias Calderon, because it is not satisfied with the political participation they have given to it.

Further ahead, an alliance could be formed with most of the alliances held by Colina, such as Fenasep, the Peasant Settlements, and some leftist parties such as the People's Party.

The opposition front will probably suffer schisms. One of the parties in this position, Pala, because of its leader's unstable convictions, proposed by Perez Balladares, with the support of Carlos Duque, Carlos Ozores, and possible support from foreign countries, will probably also leave the front.

I held a meeting with Dr. Perez Balladares on 29 January, and he informed me that Dr. Jorge Ritter had personally talked to the following persons who had offered support for the opposition, some because they believe that the Endara government was imposed forcefully by the United States to ensure that its military bases will continue to operate in Panama, and others because they represent political parties that are totally opposed to the principles and procedures of the Christian Democratic Party, which has great influence on this government:

A. Carlos Andres Perez with his Democratic Action Party;

[Correa] B. The Colombian Foreign Minister and Former Colombian President Alfonso Lopez Michelsen. The latter officials assured Ritter that they would get support from President Virgilio Barco. //This is not going to happen; I assure you it will not.//

C. The Mexican PRI president. Nils Castro, who is currently living in Mexico and is very close to high-ranking Mexican officials, has already spoken to the Mexican foreign minister and other officials who have offered to give support to the opposition against the Endara Government.

D. Guatemalan state ministers and political leaders; Dr Eduardo.... [corrects herself] Jorge Ritter, not Eduardo Ritter, is presently living in that country. In other words, he is living in Guatemala and will receive help from Guatemalan ministers and political leaders.

E. Perez Balladares //the textbook thief who stole $60,000 in textbooks from my sister// also told me that he talked with several Socialist International leaders over the telephone and they also offered to support this opposition movement against Endara.

8. [as heard] Strong and Weaks Points of This Opposition:

Among the strong points, the following stand out:

A. The need for national liberation that will reappear when the general euphoria produced by the overthrow of Noriega is over, because that kind of sentiment and liberation actions suffer momentary reverses, but reemerge later with greater force, as has been the experience of almost all countries.

B. The feelings of all the relatives and friends of those who died violently during the invasion.

C. The present government's revenge and systematic persecution practices...

[De la Rosa, interrupting] ...that have some sectors' temporary approval, but that will surely boomarang because Panamanians are always willing to forgive those in disgrace and attack those who delight in the disgrace of others.

D. Endara's evident incompetence and lack of personality. He cannot correct these faults because they are part of his character. The general impression already is that Dr. Arias Calderon, first vice president and minister of government and justice, completely controls the government. Endara's faults and the lack of experience of his two vice presidents and most of his ministers—in politics and in public administration—will not allow the government to resolve, within a reasonable period of time, most of the problems of the country and government.

E. The government's massive firing and existent unemployment. Most of these people will have no other alternative but to join the ranks of the opposition.

F. The government's lack of resources or the delay in obtaining them. This fact will increase dissatisfaction and discontent among the people.

Among the weak points:

A. That many of this opposition's initiators were...

[Correa, interrupting] ...linked to or supported Gen. Manuel Noriega, will be a very negative point in the initial formation of this movement.

B. The lack of a true leader who has wide political following. None of the opposition front's leaders have the required qualities to influence public opinion. //And, what about the trials they have pending?//

C. The lack of ideological coherence and social differences among the sectors organizing the opposition. The PRD's attempt to attain ideological pluralism clearly showed that this system did not work. //They are talking to themselves, but they forgot to add that one of the things that goes most against these leaders or quasileaders are their records of abuse of power and public properties.//

D. The divisions that will very possibly arise at the beginning for control of the movement and later on, because of political ambitions.

E. The possible securing of large economic resources by the government that will allow it to satisfy Panama's demands and solve its social and economic problems.

This document has fallen into our hands. It is a political analysis that was apparently made by opposition members when they went abroad. So you know now that these pro-dictatorship Norieguist figures are considering uniting in opposition against Panama's reconstruction government. This was apparently taken by the thief of textbooks, Mr. Perez Balladares, to Carlos Andres Perez in Venezuela, and it has fallen into my hands.

I ask the ACAN-EFE agency, if it reproduces any part of this document, to give credit to this radio station, KW Continente, because the news produced by this media have a copyright that is recognized internationally.

We are going to give it to EL SIGLO, our friendly newspaper, so it can reproduce the document and you can become aware of what the opposition is planning, who is going to finance it, and who is going to help it. Apparently, oil money is going to come from Venezuela.

Argentina

Menem Interviewed on Argentine Economic Crisis

PM2803154690 Paris LIBERATION in French 20 Mar 90 p 14

[Interview with President Carlos Menem by Gerard Thomas—date and place not given]

[Text] [Thomas] Argentina has lost confidence in its leaders. How do you hope to restore an atmosphere conducive to the continuation of your economic policy?

[Menem] This loss of confidence is not recent. It is the result of a system which has led the country to decline over the past 40 years. The government's whole policy is now focused on a single objective: To replace a culture of private income and speculation which led us to bankruptcy, by a culture of work and production. There is no longer a welfare state but our policy will start producing results before the end of the year. The fact remains that the Argentines will have to put up with a difficult situation for a long time. I am still convinced that this is the only solution for us and that we will eventually win back the people's confidence.

[Thomas] Do you think that you will reach an agreement with your political opponents, notably former President Alfonsin's radicals, to tackle the economic crisis together?

[Menem] We hope so. However, the political parties have not yet realized that the aim was to work not for future elections but more prosaically for future generations. On the basis of opposition, for which there is currently no reason, they aspire to keep their electoral options open. In this country, we must forget petty political quarrels for two or three years and establish general cooperation among the different forces, be they political, economic, or social. As soon as I took office, I invited members of the Radical Civic Union to join my team. That party declined and last week Eduardo Angeloz (the current president's opponent in the general elections last May—LIBERATION editor's note) again refused my offer outright. As far as I am concerned, the door is still open, but I will continue to follow an extremely tough economic policy.

[Thomas] You have just signed a decree enabling the armed forces to intervene in case of social unrest. Are you tempted to govern with the military?

[Menem] Certainly not. Moreover, there will be no waves of violence like those we have experienced in the past. As commander in chief of the armed forces, the Constitution enables me to use them when applicable. This decree merely defines the limits of that right.

[Thomas] How will you force the enterprises to go along with economic development?

[Menem] I cannot impose anything on the private enterprises. The market is free, the dollar fluctuates in accordance with the free market, and we have moved from an interventionist economy, which led us to widespread corruption, to a free enterprise economy. This is accompanied by a strict policy of clear cuts in state spending and the privatization of public enterprises. I will maintain this course against all the odds, with or without political agreement.

Foreign Minister Cavallo on Ties With Britain

PY2803174290 Buenos Aires BUENOS AIRES HERALD in English 28 Mar 90 Special Suplement p 2

[Text] Stressing the economic advantages of the establishment of relations with the United Kingdom, Foreign Minister Domingo Cavallo Talked with the BUENOS AIRES HERALD about the future of relations between Argentina and the UK, and anticipated that Ambassador Mario Camporas should arrive in London within the next 30 days.

BUENOS AIRES HERALD: Leaving aside the issue of sovereignty under the umbrella invoked during the negotiations, what are the real advantages of having reinitiated relations with Great Britain?

Domingo Cavallo: Diplomatic relations enable dialoque between nations and a normal handling of all sorts of matters between the citizens of one country and those of another nation. We believe that two nations, with a long-standing tradition of cooperation and friendship such as Argentina and Great Britain, should maintain good relations. Specifically, we think that the British can find good investment opportunities in Argentina and Trade can be expanded.

A simple estimate based on the trading volume between both countries before 1982 would indicate that we should currently have an exchange of approximately one billion dollars, and we only have 200 or 300 million.

There are a great many possibilities for trade and investment. Besides, the re-establishment of relations with the United Kingdom gives us better relations with the European Community as a whole. In April, we expect to sign an economic and commercial cooperation agreement with the European Community.

BAH: What does the signing of this agreement mean?

DC: It means Argentina will have access to the various international cooperation programmes financed by the EEC. Until now, we did not have a chance to request aid through those programmes because we had not signed the agreement.

This accord includes a series of items which did not appear in previous ones signed by the Community, such as cooperation to favour the regioal integration process or cooperation in the agricultural area specifically aimed at improving access of Argentina products to that market.

It also provides a framework in which more specific negotiations can be developed. In the specific case of the United Kingdom, we believe that private businessmen from both nations will discover the wide variety of areas for trading and investment. Both the Argentine and the British governments want a fluid exchange of businessmen. Our embassy there will try to suport this idea.

BAH: The British are closely following the privatization process in Argentina and, particularly, the possibilities of investment in the telecommunications and transportation areas....

DC: British have a tradition in the field of services. Besides, London is a very important financial centre, and privatization requires people who can handle the companies but also who have the capacity of moving capital.

We have no doubt that there is interest in the British to participate in the different tenders. For us, it is very important, because we want to have the best possible bids, with the best conditions for the country.

BAH: Did all these conditions contribute to give priority to the re-establishment of relations with Great Britain?

DC: No. We've always believed that the best way to approach the conflicts in the South Atlantic was to search for direct negotiations, which could also lead to the re-establishment of diplomatic relations. We have not given up on our demands on the Southern Atlantic area, but this realistic approach to the issue led us to all these benefits.

All over the world the most difficult conflicts are being handled through negotiations, and this means dialogue. And dialogue is fluid when there are normal diplomatic relations.

BAH: There is still another sensitive issue pending: fishing.

DC: One of our ideas was to set up a group to discuss Southern Atlantic matters, which includes temporary information schemes on military issues—which as the word temporary indicates, will have to disappear with time—and also all matters involving fishing.

We are open to discussing this issue within this group, but first we have to enforce a series of internal regulations which are very important, such as a fishing law. I have spoken about this issue with Deputy Secretary for Latin American Affairs Timothy Sainsbury, and we have agreed on calling a meeting of this group to hold a working session on fishing.

BAH: Wouldn't this issue be subject to a revision of agreements signed between Argentina and third countries?

DC: No, there is no conflict in this regard. Argentina will enforce a new system to grant fishing licenses, when the capacity of its fishing fleet is not able to cover the catch in its exclusive economic zone.

This means ships from different countries will have access to this area, under the necessary controls to ensure a rational exploitation of resources. Procedures will be very much like those applied by the United Kingdom to grant licenses in its area.

This will be a starting point to talk about an exchange of information and cooperation agreements. However, Argentina does not have to review any previous agreement. In fact, we have renegotiated the accord with the Soviet Union, but in order to increase the exploitation fee.

BAH: When do you expect the appointed ambassador Mario Campora to arrive in London?

DC: There is no definite date yet, but it will be very soon. We think that he will be there in less than 30 days. We are still working on the appointment of personnel, but I haven't seen the final proposal yet.

BAH: When will the issue of sovereignty be removed from under the protective umbrella?

DC: Well, that is an issue which we will have to follow. Now we have to see how fishing negotiations develop, which to a certain extent are connected to the question of sovereignty. And also see the evolution of relations and the atmosphere between Great Britain and Argentina, as well as the attitude of the inhabitants of the Islands.

Bonnet Sworn in as New Army Chief of Staff

PY2703122490 Buenos Aires Domestic Service in Spanish 0200 GMT 27 Mar 90

[Text] Division General Martin Bonnet, Army chief of staff, asserted that he intends to even more intensely pursue, if possible, the objectives of unity, discipline, spirit of sacrifice, desire to serve, professionalism, and the army's subordination to political power.

This was part of Bonnet's first speech as head of the Army after being sworn in by Defense Minister Humberto Romero during a ceremony held at the Patricios Regiment in the Federal Capital.

Defense Under Secretary Tenders Resignation

PY2803184290 Buenos Aires DYN in Spanish 2030 GMT 27 Mar 90

[Text] Buenos Aires, 27 Mar (DYN)—Defense Under Secretary Omar Vaquir tendered his resignation and will probably be given a new diplomatic post. Vaquir's resignation has been officially reported, but there has been nothing on the reasons for his resignation.

Reliable sources did not rule out the possibility of Vaquir returning to a diplomatic post, because when he

was designated Defense Ministry Under Secretary he had been Argentine Ambassador to Venezuela, and he still has Senate approval.

Fuel Prices, Utility Rates to Remain Static

PY2803213090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2215 GMT 27 Mar 90

[Text] Buenos Aires, 27 Mar (NA)—Economy Minister Antonio Erman Gonzalez stated today that the government will not immediately increase fuel prices or utility rates, because the level of domestic prices and the dollar exchange rate are dropping. He added: "At this moment there is no reason whatsoever to increase fuel prices, because it would prompt a general price increase," which is against the current government economic stabilization policy.

In remarks made to Radio Rivadavia, the economy minister added that salary payments to teachers from the provinces have been "assured," because the national government has begun to remit the money to the provinces that are not in a position to pay those salaries. The minister also revealed that "for the first time, the cash surplus and the level of reserves—including gold and foreign exchange—exceed the monetary base."

Denying that the government intends to authorize an increase in fuel prices and utility rates very soon, Gonzalez pointed out that the government policy in this regard is to maintain those rates at their present real values, adjusting them to the increase in other domestic prices. "At this moment the situation is exactly the reverse," he said, "because there has been a general drop in prices and the exchange rate has dropped 20 percent so far in March. Therefore there is no reason to increase rates."

Asked about teachers' salaries in the provinces, the economy minister stated that "those provinces that cannot pay the salaries can rest assured that a remittance of the first 56 billion australes began yesterday, and that another shipment of 60 billion will begin within a week. He added that according to the Economy Ministry's projections, by May "there will be a major increase in the tax revenues that are shared with the provinces." This will help the provinces balance their finances.

Gonzalez stressed that with the 116 billion australes the national government will remit to the provinces, "the teachers' basic pay of 180,000 australes plus the 180,000 australes on which premium pay will not be drawn [180 mil australes no bonificables] is guaranteed."

Asked whether money has been issued during his term in office, Gonzalez said that "the current expansion of the monetary base is perfectly counterbalanced by the foreign exchange that has been purchased." "That means," he said, "the monetary expansion is the result of reserves accumulated by the Central Bank to prevent unexpected exchange rate fluctuations."

Gonzalez said that "for the first time the cash surplus and the level of reserves—including gold and foreign exchange—exceed the monetary base; that is, the monetary base in circulation has full backing."

Asked whether it was necessary to reach a political agreement to implement the current economic program, Gonzalez said that this type of agreement "is highly positive, because in this way the political sectors do not take advantage of the painful effects of the economic adjustments to promote their political interests."

"In another sense," he said, "I think the political parties have begun to debate the transformation the country needs in order to set the situation straight. Politicians, however, do not yet share the same opinion on how to bring about that transformation. They still cling to old ways of thinking and slogans that are responsible for our present situation."

* Ubaldini's Candidacy for Governorship

90ET0166D Buenos Aires SOMOS in Spanish 21 Feb 90 p 18

[Text] The worsening economic and social crisis seems to have forced Buenos Aires politicians to put on ice (or at least to disguise) their aspirations for the gubernatorial nomination in the 1991 race.

Now that the constitution has been amended so that the current governor, Antonio Cafiero, can run for reelection, discussions are under way today in a bid for an understanding between the head of the PJ [Justicialist Party] and sectors of the Menem faction. Since the power struggle in the national government often overlaps the one in the provincial government, there emerged in early December an original proposal designed to kill several birds with one stone. Brewery-workers leader Saul Ubaldini would be removed from the union scene, so as to facilitate CGT [General Confederation of Labor] unity, and made a candidate for governor in order to neutralize Cafiero and reconcile the CGT leader with restaurant-workers leader Luis Barrionuevo.

Cafiero is saying privately that he is in the best position. Yet a poll conducted in the second week of January by the Demoskopia institute, which does marketing research and political studies, revealed that Ubaldini was slightly ahead of Cafiero among residents of the province.

The investigation showed that if the choice came down to these two, 14.75 percent would vote for Ubaldini and 14 percent for Cafiero, although 53.25 percent would not vote for either, while 10.25 percent were undecided, and 7.75 percent gave no direct answer.

Ubaldini's lead widens among voters who sympathize with the PJ, 23.91 percent of whom lean towards the labor leader, while 22.46 percent are for Cafiero. However, a full 31.88 percent of Peronists said they would vote "for neither," thus suggesting that there is no front-runner. Moreover, 15.22 percent are undecided, and 6.52 declined to respond.

The situation is relatively worse for Ubaldini, however, among what ought to be his natural constituents. Only 22.22 percent of union members would vote for him for governor (20 percent for Cafiero), while almost 47 percent would vote for neither, which would hurt Ubaldini more.

Some inclinations are almost obvious. Among Radical voters, Ubaldini and Cafiero get 8.5 percent each; among Democratic Center Union voters, 17 percent are for Cafiero and 1.7 percent are for Ubaldini, and among United Left voters, Cafiero gets zero and Ubaldini almost 24 percent.

* 'Progressive' Groups Oppose Economic Plan

90ET0166B Buenos Aires SOMOS in Spanish 21 Feb 90 p 13

[Text] The economic plan has both support and opposition among Peronists and Radicals alike. The "progressive" wings of the two groups are categorically opposed to it. A few days ago, the head of the Azopardo CGT [General Confederation of Labor], Saul Ubaldini, met with the leader of the Buenos Aires Coordinator, Federico Storani, and they agreed on several joint moves.

One was supposed to be a rally in March to protest the economic plan. It was to be backed by major political figures, not parties. But news of the rally leaked out; many of the invitees let it be known that they would not attend, and the plan went nowhere.

As always, there are power struggles in every quarter. Among the progressives, the group of eight dissident Justicialist Party deputies put forward the initiative that "won the prize" for March: a gathering of activists "against the oligarchy."

In any event, the Storani people have not lost hope of narrowing their differences with the Peronists and they too met with the eight rebels in an effort to interest them in joint actions. They contend that society's political spectrum looks like this today: Menem, Alsogaray, and Angeloz on one side, next to Alfonsin and Cafiero, and then the progressive wing.

* Plans To Sell Tanks to Iran, Mexico

90ET0166A Buenos Aires SOMOS in Spanish 21 Feb 90 pp 14-15

[Article by Hernan Pereyra: "Dreams and Tanks"]

[Text] The administration's plans to sell arms, to allow NATO to install facilities in Patagonia, and to build a military-industrial complex in the southern part of the country are truly extravagant if one thinks about how deep the crisis besetting Argentina is.

At the moment there is talk in government offices of selling 1,400 tanks (a more than $4-billion transaction), of allowing NATO to set up a firing range and bases on national soil, and of spending $350 million in the south, when soldiers often do not have enough to eat or are poorly clothed.

But there is little cost attached to dreaming, almost none in fact, except for the rough landing back in wearisome everyday reality. The Peronist administration has decided to sell weapons to anyone who can afford them, and expectations are mounting over the interest that the Iranians have shown in buying 1,000 tanks and that the Mexicans have exhibited in purchasing another 400.

A large delegation traveled to Iran last week; it was headed by the special affairs secretary of the Foreign Ministry, Karim Yoma, along with the secretary of production for defense, Juan Jose Uranga.

The negotiations with the Iranians concern an order of 1,000 tanks for an amount estimated at between $2.5 and $3 billion. Some 400 tanks are involved in the talks with the Mexicans. Uranga will head for Mexico as soon as he returns from Iran.

The scope of the transaction, which is unprecedented for Argentina and which has few precedents anywhere in the world, would mean a heavy inflow of foreign exchange and a chance to fill the military's huge budget gaps. The two transactions are not risk free, however.

In the first place, vital parts of the Medium Argentine Tank (TAM) are supplied by the West German firm Thyssen, and lest problems arise on that end, clearance is needed from the Bonn government and, perhaps, from the Bundestag, under that country's legislation concerning weaponry.

Money is owed to that German firm both for the tanks and for the manufacture of frigates, corvettes, and submarines for the Argentine Navy. The components of the TAM that the Germans supply are the engine, which goes inside a specially shielded housing; the firing computer; certain elements in the laser-operated target-tracking system, and optical components of the sighting system.

Another problem is the production capacity of the tank factory. Argentina has 150 TAM's in operating order, and the company has little more than 50 in stock. Estimates are that 10 a month can be built under normal conditions (the number would have to be boosted substantially); this would require precise synchronization of the supplies from Altos Hornos Zapla with the special steel and with several military plants that are run by Military Manufactures and that supply parts or process other materials.

In any event, Argentina could deliver many of the already manufactured tanks, which it could replace later, and with the initial payment begin producing the rest. There are also those who think that the Brazilians could join the operation and commit themselves to supplying parts; this would be a reciprocal transaction that would

involve African countries buying much less expensive and technologically less advanced tanks than the TAM from the Brazilians.

The ambitions of the Peronist officials go beyond the sale of tanks; their political philosophy is to integrate Argentina once and for all into the circle of Western countries both political and militarily. Menem's Defense Ministry team, under the influence of Jorge Antonio, started operating in 1987 and consisted of Uranga, the current minister, Humberto Romero, and Buenos Aires National Deputy Roberto Enrique Fernandez, among others. One of its long-time projects is to build a firing range for NATO in the heart of Patagonia.

It so happens that the European-American alliance is having mounting problems conducting combat exercises in the northern hemisphere owing to the population density there. Therefore, it has made discreet overtures to several countries about installing a firing range and the corresponding military bases that would support its troops in uninhabited but readily accessible areas.

The Peronists believe that such a project would be feasible if a decision is made on it; they would charge a high rent that would swell the coffers of the local Armed Forces.

Concurrently, they would begin selling off military real estate, including the Palermo barracks (Patricios regiment and the former command of the First Corps), parts of Campo de Mayo, and downtown buildings in almost all of the country's major cities. With these funds they would begin construction of a manufacturing and scientific- and technological-research complex in Patagonia, a project that would cost an estimated $350 million and that would serve the three branches of the military.

No money would be disbursed from the Treasury, again according to the project, and some funds would be left over for the military institutions to add to their budgets.

The looks on the faces of officials range from enthusiastic to somber when they are reminded that in any discussions the Europeans—and the Americans—would demand a halt to projects such as the CONDOR II missile and the enrichment of uranium in Pilcaniyeu, as well as the definitive removal of Colonel Mohamed Seineldin, retired, and his minions from the military scene.

* Alfonsin on Social Pact, Relations With UK

90ET0166C Buenos Aires SOMOS in Spanish
21 Feb 90 pp 16-18

[Interview with former President Alfonsin by correspondent Ana Baron in Washington, D.C.; date not given]

[Text] [SOMOS] Did you come to the United States to explain the Argentine crisis and perhaps to ask for aid, or did you come to strengthen the relations that the Radical Party has with American officials?

[Alfonsin] Neither. I came to the United States because Harvard University and Johns Hopkins University invited me to talk about the transition and the consolidation of democracy in the Americas. I arrived from Caracas, where I was invited by the Inter-American Institute of Human Rights. In short, this is a fundamentally academic trip.

[SOMOS] Jaroslavsky recently said: "Menem deserves assistance and consideration." Do you agree?

[Alfonsin] I agree completely. I think that the politics of consensus is absolutely necessary to bolster credibility and the chances for success of the Social Pact, which cannot exist without a prior political accord.

[SOMOS] "We don't want to fall into some Alfonsin trap, because we don't want to give the impression that we're requesting support from the person who got us into this mess." A Peronist said that. What is your reply?

[Alfonsin] That's a stupid remark that doesn't deserve a reply. I'm simply trying to serve the country.

[SOMOS] What are the chances of having a government of national salvation?

[Alfonsin] No. I'm not talking about a government of national salvation. I think that the government has to govern. What we have to do is help out on various levels. First of all there is an institutional level. The government has called on us. We've said yes, along with other political forces, and we'll address the major institutional issues. Then there is an economic level, where a consensus is needed to enhance credibility and to forge a congressional accord that will enable laws that are good for the country to be passed. Third, as I told you, an accord is also needed on which we can build the social pact, so that whatever accords are reached with the economic and social sectors are viable.

Fourth and last comes action by the administration, which is the exclusive responsibility of the party in power.

[SOMOS] Do you think that it will be easier now to build a consensus than it was for your administration?

[Alfonsin] I would have given my right arm to have an opposition like us. The big advantage that Dr Menem's administration has over mine is that I'm the opposition. We're the opposition.

[SOMOS] The Radical Party is accusing Menem of having allied with the free-marketeers. Yet you were the ones who started opening up the economy and talking about the need to privatize. So why didn't you join forces? Why are there rifts between the Menem and renewal factions, between the Angeloz and Alfonsin factions? Don't you all agree on the underlying problems?

[Alfonsin] In the first place I don't think that we can talk about the free-marketeers. I think that this is the sort of conservatism that has little to do with views such as ours.

I think that the economic plan that is under way has to be given a social content. And this is why we're criticizing the alliance with the conservatives.

[SOMOS] Do you think that a Radical administration headed by Eduardo Angeloz would have pursued an economic policy very different from Justicialism's?

[Alfonsin] Yes, I really think that it would have had a very different social content.

[SOMOS] The sort of hyperinflation that we have now appeared first towards the end of your administration. What were the main reasons for it? What is preventing it from being controlled?

[Alfonsin] I think that a wide variety of prescriptions have been tried to overcome our economic problems. Military dictatorship was one prescription, because political middlemen were said to prevent certain objectives from being achieved. The result was the foreign-debt disaster, decline, and the breakup of the production machine. Then we came in and called for a consensus. No one wanted to do anything about the crisis. The people were told that what was happening was the administration's responsibility. Consequently, we acted alone. We couldn't resolve the economic problem either. Then came Dr Menem. During an initial stage he conducted a corporativist experiment that also ended in disaster.

[SOMOS] So we're in a new stage now?

[Alfonsin] Yes. All indications are that the administration is headed towards action on its own. And this is what we want to prevent. Consequently, we want the grassroots political forces to try and come to terms. This is what we tried to do when we were in power, and by proposing it now from the opposition we're showing that it was an approach that we wanted to pursue, not opportunism by the Radical administration.

[SOMOS] Were external or internal factors the biggest obstacles during your administration?

[Alfonsin] The foreign debt and the decline of international prices were unquestionably the things that most complicated life for us in the economic arena.

[SOMOS] We haven't been paying the debt for some time now, and yet economic problems persist.

[Alfonsin] You asked me what I thought was most important. And it was external factors. Of course there were domestic complications. But the decline of international prices cost us dearly, both because of what we did not earn and because of what we paid out in interest on the debt.

[SOMOS] How do you feel about the attitude that the United States adopted during your administration?

[Alfonsin] It was the attitude that it's had towards every administration. It hasn't measured up to the heroic effort that the countries of Latin America are making by democratizing amid the most severe crisis that we have had this century. In order for democracy to exist, there must be a certain degree of economic well-being.

It is obvious, however, that during our administration the United States changed its theory, according to which there were friendly authoritarian governments, as distinguished from totalitarian ones, and supported democratic governments in South America.

[SOMOS] During the election campaign many Radicals predicted that Menem would not be a really democratic president. Do you think that Menem is consolidating democracy or not?

[Alfonsin] I think that he has to further the consolidation of democracy.

[SOMOS] But is he doing so?

[Alfonsin] I think that he must do so....

[SOMOS] I asked a different question.

[Alfonsin] Well, I'm giving a different answer. I'm saying that he must do so.

[SOMOS] Will he be able to?

[Alfonsin] If he wants to, he can. No doubt about it.

[SOMOS] Do you think that Menem could implement an alternative military policy?

[Alfonsin] Those are answers that society has to provide. I think that Menem is making a mistake in that area, above all and fundamentally by closing the cases of the people who rebelled, by pardoning the Aeroparque people. I think that he's done tremendous damage to democracy. The government has to defend itself and defend everyone against any inkling of authoritarianism.

[SOMOS] There was corruption in your administration. There is corruption in this administration. What's the cure?

[Alfonsin] I'm not fond of making charges to the press. Whoever has charges to make should make them before the courts. What I can tell you is that our administration was defamed, and it was defamed particularly by the carapintadas, who although they indeed put down their arms, did not halt their psychological action. I think that politicians in general are discredited, and unfortunately this administration is one reason.

[SOMOS] What do you think of reestablishing diplomatic relations with Great Britain?

[Alfonsin] I think that legally speaking it's fine. But I think that it means that our grievance about sovereignty over the islands is further from being met, because there is less of a chance now of sitting the British down at the bargaining table.

*** Seineldin's Political Theory Analyzed**

90ET0165A Buenos Aires SOMOS in Spanish 12 Feb 90 pp 10-13

[Article by Alejandra Rey: "The Military Issue Has Not Been Resolved"]

[Text] "Colonel, if they had told me you were coming, I would have brought out the whole neighborhood for you..." the man said, after giving him a warm embrace. He was shirtless, standing in the persistent rain that had already caused several people to evacuate their homes in Santa Fe. Colonel Seineldin smiled with satisfaction.

His welcome in Villa Yapeyu, a worker district on the outskirts of the capital, had been warmer than he expected. "The idea was to visit a poor neighborhood," Jorge Sonzogni, a spokesman for the Villa Martelli leader, told SOMOS, "and the needy always respond." The welcome took the form of meat pies, beer, and speeches (actually complaints about corruption in the provincial government), as well as advice from Seineldin on how to organize for joint action.

Once again the colonel spoke to his "shirtless ones" of the need for an organized community, as he munched on a meat pie that the owner of the house, Juan Maria Dastugue, a MID [Integration and Development Movement] leader, had ordered cooked up.

This is the same speech that he has been giving on all of his trips (this time he went to Santa Fe and Rosario) to various audiences that line up outside the hotels where he stays with his entourage. For now the audiences are small and consist mostly of old Peronist activists, retirees, military veterans, unionists, and women, who regard him as the "only chance for national union."

The topic that he develops in his addresses is always the same. "The only chance for change," the colonel says, chalk in hand, "is to return to the Open Town Meeting, from the bottom up, something like what the Church's social doctrine says. A leader has to obey the Ten Commandments, and no one really does. I think that the homeland is in danger and that we have to work to save it, because that's just what the enemy wants to do: demoralize us. The Rotary is a good example of organization, because it supplies 50 percent of the leaders under democratic governments and 50 percent under dictatorships."

Seineldin, who explains Argentine history during his addresses, feels that there can be no national agenda without "a defense agenda, which in '43 was established with the Group of United Officers (GOU) that emerged from the barracks. The enemy has destroyed it; so you have to devote your time to the struggle as Catholic and nationalist activists."

The meetings are attended by people ranging from Peronist youth activists to older leaders, businessmen, professionals, priests, orthodox union men, and some Montonero militants who are trying to get behind this project again. "They can all come," an authorized spokesman tells SOMOS, "as long as they're the Montoneros from '70. We're not interested in the others."

Nonetheless, both Cirilo Perdia and Fernando Vaca Narvaja (who reside in Santa Fe and Rosario respectively) are known to have tried to contact the "Arab's" people with an eye towards future meetings. Such contacts are still premature, however, and have not been successful.

By and large, what the Arab's minions are worried about is his relations with the government and what could happen in connection with the crisis in the Armed Forces. "The military issue is still pending," Seineldin said during a barbecue that the Junin CGT [General Confederation of Workers] of Santa Fe threw for him. "We made a pact that was not carried out, and this has to be stopped. I don't know how or with what methods."

But there are suspicions. In Rosario, a city that he visited on Friday and Saturday, the graffiti spoke for themselves about the welcoming campaign that was mounted for him. A senior officer from the Second Army Corps unsuccessfully ordered his men to spray-paint slogans opposing the Villa Martelli leader. "We're not going to do it," said one insubordinate; "we've painted our faces from the beginning."

There were other indications of this incipient battle for power when a rumor about meetings to settle the conflict began circulating in the lobby of the Mayoral Hotel in Rosario; but the account could not be confirmed. The possibility of a social explosion and the desire of the "carapintadas" not to intervene were also discussed. "We cannot engage in repression," an authorized spokesman confided to SOMOS, "and that could cause a lot of problems for the security forces." In his speeches Seineldin had already "dropped hints" about the issue by saying that "the people have needs that they are going to have to have met. We all know about hunger," he said in Villa Yapeyu, "and you can improve the situation by working in neighborhood organizations. That's the task." There, in the working-class district, the colonel got a detailed report on the situation from residents. "They're forcing us to be corrupt," they said.

The meetings were large in Santa Fe (he received more than 1,000 persons in all), but in the lobby of the Riogrande Hotel the smell of the battle for power that his prodigal son always leaves behind was obvious (see box). A day before Seineldin came to the provincial capital, Aldo Rico lectured his minions with explosive remarks that the "Arab" later "straightened out."

One of the questions asked by those who listened to the Holy Week leader had to do with the implementation of the proposal for a self-styled National Army. "Colonel," asked one woman at the headquarters of the Junin CGT in Santa Fe, "do you [plural] or do you not want a coup?" The answer, obviously, was no. "We want to work alongside you to save the homeland," is what he invariably replied.

Another persistent rumor that was circulating during his stay in the coastal cities concerned a potential institutional coup headed by Eduardo Menem. This and other issues were chosen for the agenda at the closed-door meeting that "the colonel" (which is what his followers call him) held early Friday morning with commissioned and noncommissioned officers at an estate, owned by a sergeant, on the outskirts of Santa Fe.

At this meeting they talked about dissatisfaction in the branch, which it evidenced some days before in a flier that showed up in several provincial garrisons. In the flier, entitled "No One Is Going To Fool Us Again," presumed noncommissioned officers protested their meager salaries and lashed out pitilessly at General Isidro Caceres. "Getting a wage hike of 40 percent and thinking that the problem of the noncoms and their families has been resolved is like thinking that Lorenzo Miguel is a better chief of staff than General Caceres because, not having 'pull' either, he got 70 percent for his union," the pamphlet starts out.

In Rosario he received more than 35 unions and union leaders, and some members of the Arab community (which is very large there), who tried to speak Arabic to "our boy Mohamed."

"I don't speak Arabic; I just understand a few words," he said apologetically amid embraces. The coordinators of poor neighborhoods also went to the Mayoral Hotel to tell him about their problems; his response was "organization." "Man needs his family, school, unions, the Church, because he is basically weak, and the enemy attacks those points. This is why a national project is needed; one emerged in '43, but it got lost with the 'setback' of the National Organization. As for the world, it is divided, and what was the Third World has been infiltrated by imperialism and communism. We have already seen how the United States blockaded Venezuela and is now trying to do the same with Mexico, where it has installed a single party. The excuse they will cite for invading it is drug trafficking."

One of the most common questions from the audience concerns the situation in Panama. According to Seineldin, former strong man Noriega gave up because a great many civilians had been killed; he adds that if he had not surrendered, the United States would have raided the Nunciature. "They tormented him with that diabolical music, but what broke him was the 5,000 dead in the streets."

Those who attended these lectures are convinced that they are in the presence of a Peronist national project, and the "Arab" does not entirely deny it. "At this moment the nation is divided, but the masses are searching for an identity. There have already been two uprisings in search of this. During the last one we fired a lot of cannon shots. The next one will be definitive. But since I don't have a crystal ball, I don't know when it's going to happen."

In the colonel's view the Army is divided into "nationalist" and "administrative" factions, and "I can't predict what will happen when they clash." He says that if a solution does not come right away, "liberalism or the left is going to make headway and encircle us, which is why we have to organize ourselves to defend the institutions."

These words please the audience greatly, especially the labor leaders, the long-time activists of orthodox Justicialism, who see a distorted version of Peron's dream being reborn. The same view was held by Raul Drueta, the speaker of the Chamber of Deputies of Santa Fe, who met alone with Seineldin in Room 106 at the Riogrande Hotel.

As for his other activities, on Saturday morning in the town of Funes the colonel visited Monsignor Victorio Bonamin, the former military vicar, who is now retired. Prior to this predawn meeting, the entire Seineldin entourage did gymnastics in Independencia Park under a relentless rain.

It almost turned into a headache for his followers. Seineldin had forgotten his gymnastics outfit, and one that fit him had to be found. Saturday afternoon and evening were set aside for his family; his brother, a prestigious cardiovascular surgeon, lives in Rosario, and Seineldin took the opportunity to visit him.

But private family matters do not seem to interest his loyal followers, who have other concerns in attending his courses, such as Seineldin's relations with "our friend Menem" and the brand-new defense minister. "I know him," he says, referring to Humberto Romero; "I respect him, as I do the president, but politics is not my bag. I come to give hope; I'm a beggar: I work for God and I'm only trying to get us to work and move the homeland forward..." the colonel says in conclusion, as he thinks about his next swing, through the southern part of the country, in a few days.

[Box, p 11] A Budding Power Struggle

One of the questions that no one asks but that is floating in the air at all of the lectures that Seineldin gives concerns his relations with Aldo Rico. "To the colonel, el Nato [flat-nose] is the prodigal son," say the people accompanying the Arab, "and although they have their differences, they meet to chat almost every week."

Nevertheless, the Rico-Seineldin affair has already created a power struggle within the self-styled National Army. They both have the same minions, who follow them wherever they go (Rico is usually the one who visits the largest cities first) and who vie with each other to head the commissions that are formed after the lectures. "We're just beginning, and already there are power struggles," a labor leader confided to SOMOS. "The Rico people think that they're calling the shots, but the only one who gives the orders is the colonel."

In Rosario the power struggle has names attached to it. On the one side are the carapintadas (in other words, those who supported the uprisings), and on the other are the "sun-tanners" (those who do not work and who try to take charge of what has been done). "We're not worried," a spokesman tells SOMOS, downplaying the power struggle, "because we know very well that the Arab is the one who really brings people out." In the view of the least optimistic, the power struggle is just beginning....

[Box, p 12] Zulema Called...

On Friday afternoon, while "the colonel" was receiving the boys from "Peronist Resistance" at the Mayoral Hotel in Rosario, a telephone call from Buenos Aires touched off restrained excitement among his closest colleagues.

The message, transmitted in a not very secure insider's code, was quite long and full of juicy, albeit hard to verify details. But the essential piece of information was: Zulema Yoma de Menem wants an urgent meeting with the colonel.

The meeting would take place on Monday or Tuesday, because afterwards Mrs Menem would like to go to La Rioja, according to the account that was received. The somewhat confused details had to do with political situations and, more specifically, the Menems' private life.

Brazil

Foreign Minister Rezek News Conference

PY2903010090 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Mar 90 Special Section p 4

["Text" of news conference granted by Foreign Minister-designate Francisco Rezek to national reporters on 14 March in Brasilia]

[Text] [TV Globo] The president-elect intends to bring Brazil into the fold of the world's most developed countries. What can the Foreign Minister do to help in this undertaking?

[Rezek] The president-elect is aware that the task of bringing a sovereign nation into the fold of the so-called developed world or, if you prefer, the First World, can be approached in several ways. Things can be understood in various ways. If the term Third World refers to the group of developing nations—the nations that have serious social problems as we have, the nations that aspire to accelerated economic development and where the thinking people confront the serious drama of conscience represented by the social situation—then the problem of categorizing a country as First World or Third World is not a problem of political will, but a matter of effectively attaining a stage of development that justifies that categorization. There is another way, a positive one, of looking at the phenomenon of the so-called Third World and its dialogue with the post-industrial countries. That way would be the search for an ethic in international relations, for standards of greater justice. This is a problem that has been posited by international analysts many years ago. They already spoke in the 1960's of the so-called balanced equality or compensating inequality, a principle of not demanding reciprocity in the economic relations between rich states and poor states. There is finally a third way of interpreting the so-called Third World and its relations with the First World. This view is certainly not looked on with favor by the man who will be inaugurated president of the Republic tomorrow. This is the perception of the Third World as a form of confrontation, of isolation, or class struggle, and that perception should be set aside, in favor of the practical interpretation of things and the search for effective results. It does not help to establish harmonious dialogue between nations that aspire to development if that will only lead to their joining forces and, without direct communication with the post-industrial nations, remaining isolated while sending harsh messages that are deplorable, not because they are harsh, but because they are not heard. This is the way of thinking about the Third World that should be avoided. Mind you that words have the power to describe reality in an infinite number of ways. It is necessary for government that comes to power in a Third World country to grasp well even those descriptions that seem deplorable. There are other ideas that cannot be dismissed, which are in keeping with our purpose.

[O GLOBO] A Foreign Ministry administrative reform is under study. In view of this reform you have lost two possible future advisers: Ambassador Rubens Ricupero and Ambassador Alvaro da Costa Franco, who have reportedly rejected your offer. I would like to know how you will implement this reform. Have you been consulted about this reform study, or does the reform consist merely of closing Brazilian embassies abroad?

[Rezek] There is something I would like to explain: I have been friends with Alvaro Franco and Rubens Ricupero, two prominent career diplomats, for many, many years. I am in permanent contact with them, and it is obvious I have talked with them since 11 March.

The naive idea that they have rejected offers, or that they did this because of the scheduled Foreign Ministry administrative reform is false. Regarding the administrative reform, I can inform you that I learned about it on 11 March. A diplomat must face certain situations that you do not see in other careers. In view of this, some may believe that it is better to continue in specific missions abroad than to assume a Foreign Ministry post. I can assure you that the recent conversations I held with the illustrious diplomats you have mentioned were prompted by some very personal problems, but they were not related to the Foreign Ministry reform. I believe you already know that Ambassador Marcos Casioto de Azambuja will be the Foreign Ministry secretary general.

[O GLOBO] Are you in favor of "compulsory retirement"? How about the embassies issue?

[Rezek] The expression "compulsory retirement" has a very dramatic effect. It has been used several times in several public sectors in Brazil's administrative history. I am aware of the connotation. It also applies to public employees' compulsory retirement at age 70. I think the career needs new dynamism, new hopes, a new degree of enthusiasm. It is obvious that the initial government program can be improved. We should not let little traumas stand in the way of a measure that is perfectly adequate for the ministry and that meets the needs of the country, nor should we let them affect or change the essential idea of reorganizing the ministry. We can work with this goal in mind, particularly because I think the project is perfectly coherent and not deserving of major criticisms.

[O ESTADO DE SAO PAULO] Research centers and universities are exerting increasing pressure on Brazil to obtain access to industrialized countries' high technology. What will the government do about this? Will Brazil sign the nuclear nonproliferation treaty?

[Rezek] Those two topics are not related to each other. All our government programs speak of our efforts to gain access to high technology and to break the artificial barriers that link those efforts to the Nuclear Arms Nonproliferation Treaty. The two things are totally different, but they are being used as bargaining chips: In order to get "x" in a given field we have to make "y" in a totally different field. There is no way we can link these two areas. Brazilian reluctance to adhere to some international commitments—which have a lot of merit in themselves—has to do with circumstantial problems and other issues worthy of in-depth analysis. The issue of nonproliferation of nuclear devices was linked to the stagnation of our nuclear development and was therefore resisted by Brazil for a very good reason. The treaty proposes that everything remain the way it was, forever, and that those who control the nuclear technology remain the sole and eternal owners of the scientific knowledge involved. Brazil resisted the idea of the treaty for that reason and because the country intended to develop nuclear energy for peaceful purposes. This has always been very clear. The idea that we could use the technology for other diverse purposes seems to me romantic and almost surreal. The syndrome of total war is in doubt, because such a war has became impossible. The two superpowers are in a very curious and disconcerting situation: They perceive that nuclear weapons are indispensable and at the same time useless because of the consequences of a nuclear war. Everyone loses; no one wins.

I think the Brazilian idea of developing its own nuclear technology, free from the treaty limitations, has an ethical and logical foundation. I do not see any reason to go back on the idea. The nuclear issue should be seen from an internal point of view. We must base our policy on our own need to develop our own technology. The issue is similar to another involving the prestige of the government that takes power tomorrow: the ecological problem. I think the nuclear question is a domestic issue and has little to do with foreign relations at this time.

[Radio Record] Mr. Minister, what will be the priority objectives of the Foreign Ministry, in the wake of the democratization of Latin American countries?

[Rezek] Brazil's permanent objective has been to improve Latin American organization and productivity. The projects of the government that will be installed tomorrow will reiterate this position.

The Latin American issue is one of the most noticeable topics marking the contrast between rhetoric and action. We have fine traditions. For example, from the viewpoint of the law, at the end of the 18th century Latin America taught a lesson through its advanced and admirable juridical rules.

[Radio Alvorada] The Brazilian people asked President Sarney to discontinue relations with South Africa. Now, however, new paths toward freedom have been opened with the release of Mandela. What will be the Brazilian Government's position toward apartheid?

[Rezek] Very significant events have occurred in South Africa over the past few months. It might have been a long-distance repercussion of the changes in East Europe. There seems to be a worldwide effort to end tyranny.

The South African case, even though still in its early stages, even though still in a phase in which the problems of the country have not yet been solved, shows that something has happened in a place where changes in political habits are very uncommon. It is something impressive. It has to do with the situation in East Europe. It might be a reaction of the right wing sector toward some crises in the left wing sectors in East Europe.

A short time ago I was asked why European leftist dictatorships were falling, and I simply answered that it is because there are no more right wing dictatorships on that continent. Right wing dictatorships fell a bit earlier. There is a general trend toward the end of dictatorships.

I would not say that any specific social proposal or ideology has worn out or that the glorious upsurge of one position has accompanied the collapse of the other one. There is a universal trend toward the end of the imposition of force.

This trend has impressively spread all over the world with the speed of modern communications. Since the changes in East Europe could not spread toward West Europe, the influence was felt far away in South Africa, softening the government's position.

The Brazilian Government and many other governments, however, have not considered that this softening

is sufficient for cheering up and for saying that everything is over. No. The racist ideology of the South African regime still survives, and that is what we would like to end.

Racism is not merely a position of an elite or of white society; it is not a position without a formal frame. The South African regime is totally racist and so is its political order.

Racism, which pervades the political order, has led us to maintain a critical stance toward apartheid.

We feel, however, much appreciation for what seems to be an opening, for the release after almost 30 years of imprisonment of a great leader in the cause of human rights and freedom. This was a very unusual case of what the law considers a strictly political criminal, who is jailed without having violated any penal regulations. It is the typical criminal of opinion, who is jailed because of his ideas and because he has disseminated his ideas.

[Radio Cultura] What do you think of the criticism that some political leaders like former Governor Leonel Brizola have made of the fact that you, who are the president of the TSE [Superior Electoral Tribunal], have been designated foreign minister? In addition, you have actively engaged in the direction of the presidential succession process. Don't you fear that your designation might raise doubts about the succession process?

[Rezek] The succession process did not depend on the TSE president, but on Brazilian law, which is based on the 1988 Constitution and which reflects the modern and progressive features of the Constitution.

The positions that the TSE adopted in 1989 in connection with freedom of information, freedom of expression, and with the television time for regular political party campaigns and for the electoral campaign are not arbitrary gestures of liberalization, made just for the pleasure of liberalizing.

We did that because all the members of the TSE, which is a collective, deliberative organ, felt that such attitudes were mandatory under the 1988 Constitution.

Among the recollections that I have from the TSE, perhaps the clearest and dearest to me is the following: The TSE is one of the institutions that has democratically and fully observed the 1988 Constitution.

The Constitution, however, was resisted by some sectors of Brazilian society, to our surprise even within the admirable group which was coordinated by Bernardo Cabral and which drew up the Constitution.

Even within Congress, during the debates on common bills, some inconsistent people disregarded the commitments that the 1988 Constitution imposed on all of us. I believe that some situations that happened last year and that—against our will—became almost a confrontation with some leaders of a specific party, reflect our belief that Brazil is a country of intelligent, honest, and wise people.

Our actions were never driven by the idea that Brazilians are dishonest or foolish people. Some critical remarks about the electoral process were totally discredited after they were disproved. All Brazilian know that the votes of the electorate, 82 million people, were rigorously tallied, and any recount, any close scrutiny of the voting records that are at the disposal of anyone interested, would not have detected, in the most remote municipality in the Amazonas interior, not even the error of a single vote. And the unexpected path of someone who had been at the electoral court in the past does not cast the slightest shadow on the fact that the TSE has properly overseen the elections. As far as I am concerned, I think that the malicious idea that has been raised could be answered only if the argument made sense and the circumstances in some way supported it—if it were not just a string of phrases from which I vainly tried to construct an argument. I believe that the press yesterday emphasized that quite singular aspect. What is really unusual—repeating the adjective someone used yesterday—is not that I left a branch of the government, that a Brazilian at some time should leave a public post and assume another public post. There have been many such cases; those changes are rather common. The only thing unusual in this episode is that someone should leave life tenure at the Judiciary Branch without having reached retirement age. So, as I assume responsibility in another sector of government, I will tell you something that should be obvious to you: I would not have left the TSE were it not to come to the Foreign Ministry, with which I was closely associated for nearly 10 years before I became judge. Had it not been to come here, I would not have left. But what is unusual about it, I repeat, is that someone who has a family, who has no personal wealth, who had a life tenure in the Judiciary Branch should accept this challenge, taking on his shoulders the burden this ministry represents. To say more than this, I would need to find a little bit more than rhetoric in the insinuation to which you referred. I would have liked to find more than rhetoric, but I just found the idea that someone who was a judge at the TSE should not move. There was an Olympian abstraction there. It ignored, in a terrifying way, the personal circumstances surrounding this move and what it means to me. The move was considered as some sort of reward; a very contemptible argument. I would not like to offend people whom I deeply respect and whom I will continue to respect in spite of it.

[Radio Itatiaia] The first economic measures are already being implemented in the domestic area. There are other latent measures that will have to be implemented in the foreign area. Was the Foreign Ministry, which is under your orders, summoned to take part in these negotiations in the foreign area, such as in the negotiation of the foreign debt?

[Rezek] The debt issue is fundamentally related to the definition of who is the interlocutor in each historical moment, and the interlocutor we are addressing. The definition of the Brazilian part in the negotiation will depend on knowing who is the foreign counterpart in the negotiation. So far, the debt has been dealt with by the economic sector of the government. In our case, the creditors are mostly private institutions. I believe that the mandate of the political sector and of Brazilian diplomacy is to coexist with the economic sectors—as they have always done, without any remarkable trauma or serious incident. I believe that mandate can be fulfilled periodically, as necessary. It is very hard to foresee the rhythm this cooperation will have. It is very hard to foresee the moment when the negotiation will go beyond the community of private creditors, when it will be time for the foreign ministers to make contact, and for the president of the Republic to meet with the president of an important creditor country. This is entirely problematic. It depends on how the debt issue develops in the bilateral plan. I would say that the presence of the Brazilian diplomacy in debt matters will probably increase.

[FOLHA DE SAO PAULO] I would like to repeat a question already asked by another colleague about the administrative reorganization of Itamaraty. Do you confirm the closing of certain embassies and of certain posts abroad, such as the one at UNESCO?

[Rezek] Some Brazilian posts abroad will surely be closed. It is a matter of not using more than one talent or one public resource for a single objective. It is a matter of using only one diplomat, mission, or team to cover two or three objectives. I do not want to establish the limited-role system, but there are certain posts abroad—I am not referring to the post at UNESCO—where it is easy to see that it is not difficult to accumulate functions and thus save public funds. It is very important for our country to succeed in saving public funds and establishing an austere administration, because this is one of the pillars of the current administration's government program. Using use human resources more effectively is, however, as important as saving money. Therefore, you may be sure that in a short while we will see several posts being closed abroad.

Six Die in Air Force Helicopter Crash

PY2803223090 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 28 Mar 90

[Text] An Air Force helicopter last night crashed in a military area on the southern coast of Rio de Janeiro state. Three Air Force officers, two sergeants, and one corporal died. They were about to help a soldier who was injured during a training exercise.

The helicopter, a French made Super Puma, left the Campo dos Afonsos base, which is located on the outskirts of town, and headed for Restinga da Marambaia, an Army and Air Force training area 60 km from Rio de Janeiro. Near (Ponta da Pombeba), over the military area, the helicopter lost altitude, crashed, and exploded.

The third COMAR [regional air command] a short time ago reported that the accident of the Air Force Super Puma helicopter, license number CH34, happened at 19:4 last night. The helicopter was to have taken an injured soldier from Restinga da Marambaia to the Air Force hospital in downtown Rio de Janeiro. When the helicopter was flying over the region, it fell and exploded. The six persons in the helicopter died immediately. They are Captain Sergio Roberto Beltrao, Lieutenant Hamilton Jose dos Santos, Lieutenant Carlos Eduardo Rodrigues da Cunha, Sergeant Lucio Cardoso Goncalves, Sergeant (Giovanni Rodrigues da Silva Filho), and Medical Assistant Gilson dos Santos Silva. The helicopter was totally destroyed. The Aeronautics Ministry has already begun an investigation into the accident.

The six bodies were recovered early today. This morning, the teams returned to the crash site to remove the wreckage of the helicopter. The operations are difficult, because only special jeeps can operate on the Restinga de Marambaia's sandy soil.

Paid Leave Granted to 8,500 Auto Workers

PY2803192490 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 28 Mar 90

[Text] In Sao Paulo, the Mercedes Benz company has decided to grant paid leave to 8,500 employees as of tomorrow. The company has reported that the Sao Bernardo do Campo and Campinas plants will stop operating because of lack of parts.

Mercedes Benz will be the fourth car manufacturer which has discontinued its operations in Sao Paulo. Collective holidays at General Motors company and at Autolatina, comprised of Ford and Volkswagen, began yesterday.

Provisional Measure 171: Financial Operations

PY2803154290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Mar 90 p 16

["Text" of Provisional Measure 171 issued on 17 March, amending Provisional Measure 160 of 15 March that regulates taxes on financial operations. All article, paragraph, and item numbers and quotation marks as published.]

[Text] The president of the Republic, exercising the power vested in him by Article 62 of the Constitution and taking into consideration Article 153, Paragraph V, of the same Constitution, resolves to adopt the following provisional measures, which is binding as law:

Article 1. Provisional Measure 160 of 15 March 1990 is henceforth in force with the following modifications:

"Article 1. Taxes are to be levied on the following operations involving credit, exchange and insurance, or certificates or securities."

"Article 2.
I. Taxes will be levied on operations involving assets and investments whose principal is owned by the taxpayer on the date this provisional measure is published.
II. As of the publication of this provisional measure, taxes will be levied only once on the operations, specified in each of the paragraphs in the previous article, transacted with certificates or securities; not on successive operations involving the same certificates or securities.
IV. Taxes will not be levied on stocks if the total value held by their owner, on the publication date of this provisional measure, is equal to or less than 10,000 BTN's [National Treasury Bond].
V. Taxes will not be levied on savings pass book deposits whose total value, held by their owner, on the publication date of this provisional measure, is equal to or less than 10,000 BTN's.
VI. Taxes will not be levied on redemption of mutual funds shares and on redemption of securities, held in the portfolio of financial institutions, subject to re-purchase agreements.

Paragraph 1. The total value of shares referred to in Item IV will be based on each share's average price when it was negotiated on the last stock exchange transaction day prior to the publication of this provisional measure. The value will be converted to Fiscal BTN [National Treasury Bond daily adjusted for inflation] by its value on the aforementioned date.

Paragraph 2. The total value of deposits in savings pass books, referred to in Item V, will be determined by the sum of the account balances on the respective dates when yield is assessed in March 1990, the deposits made in this month will be included, then converted to Fiscal BTN by its value on such dates.

Paragraph 3. In the case of financial investments mentioned in Paragraph I of Article 1, the taxes to which this provisional measure refers will not be levied on financial institutions' assets involved in active operations of identical nature, time-period, and value."

"Article 3....
III. In the cases referred to in Paragraph IV of Article 1, the value of the stock exchange operation, observing the deduction provided for in Paragraph 1 of Article 7.
IV. In the cases referred to in Paragraph V of Article 1, the withdrawn value, observing the deduction provided for in Paragraph 1 of Article 7.

Single Paragraph. In the case of acquisition of shares and gold, by exercising option, the calculation basis will be established by the average price at the stock exchange on the day the option was exercised, the deduction provided for in Paragraph 1 of Article 7 being assured."

"Article 4....
III. The total value of the balances in the savings pass books are higher than 10,000 Fiscal BTN's."

Single Paragraph. The Federal Revenues Department will establish the forms in which the information referred to in this article shall be presented."

"Article 6. If the taxpayer, within 30 days after the publication of this provisional measure, opts for the advance payment of the tax referred to in Article 1, he will be allowed to pay it in five equal monthly installments, updated by the variation of the Fiscal BTN; the percentages stated in Paragraphs II, III, and IV of the previous article will be reduced to 15 percent, eight percent, and eight percent, respectively,.

Paragraph 1. The taxpayer's intention to opt for the advance payment of tax will be indicated in the declaration referred to in Article 4.

Paragraph 2. In the case of advance payment, the tax calculation basis will be:
a. In the case of Paragraphs II and III of Article 1, the value of gold will be based on the average price on the last transaction day at the merchandise exchange prior to the publication of this provisional measure publication, converted to the Fiscal BTN value on the aforementioned date;
b. In the case of Paragraphs IV and V of Article 1, the criterion established in Paragraphs 1 and 2 of Article 2 of this provisional measure shall be observed."

"Article 7.

Paragraph 3. Payment will be made by conversion into cruzeiros, on the date of payment, of the value determined in Fiscal BTN's, as per the criterion established in Paragraph 2 of Article 6."

"Article 8. In cases in which the taxpayer does not opt for advance payment, the Federal Revenues Department will dictate norms to allow deductions, provided for in Paragraph 1 of the previous article, to be made."

"Article 9.

Single Paragraph. In the case of Paragraph 1 of Article 1, the responsibility for withholding and depositing the tax will rest with the paying financial institution, except in cases in which the beneficiary is another financial institution, in which case the responsibility will rest with the latter."

"Article 10. To facilitate the implementation and the supervision of the present provisional measure, the fiscal authority of the Central Bank of Brazil and Federal Revenues Department is empowered to supervise the agents of the Housing Financial System and any of the entities which, directly or indirectly, participate in the certificates or securities market, including financial institutions, brokerage houses and distribution companies, which are under obligation to provide all information requested by the aforementioned authority."

"Article 12. The Central Bank of Brazil and the Federal Revenues Department, jointly, will issue the norms necessary for the effective implementation of this provisional measure, especially the norms setting deadlines for the payment of tax."

Article 2. The Executive Branch will republish Provisional Measure 160 of 15 March 1990, with its modifications made by this provisional measure.

Article 3. This provisional measure goes into effect on the date of its publication.

Brasilia, Federal District 17 March 1990; 169th year of independence and 102nd of the Republic.
Fernando Collor
Zelia Cardoso de Mello

Decree 99178: Rules Governing Federal Spending

PY2803123090 Rio de Janeiro O GLOBO in Portuguese 17 Mar 90 p 23

["Text" of Decree 99178 issued in Brasilia on 15 March]

[Text] This decree restricts federal government spending and establishes other provisions.

The president of the Republic, exercising the authority vested in him by Paragraphs 4 and 6 of Article 84 of the Constitution, hereby decrees:

Article 1. The highway transportation vehicles owned by the federal government, autonomous agencies, and public foundations are hereby classified in the following categories for their use:
I. Representational vehicles;
II. Special vehicles;
III. Service vehicles.

Article 2. Representation vehicles shall be used exclusively:
I. By the president of the Republic;
II. By the ministers.

Article 3. Special vehicles are those used for rendering services requested by the military ministries and the Ministry of Foreign Affairs.

Article 4. Service vehicles are:
I. Those used exclusively by the Armed Forces;
II. Those used exclusively:
a. for transportation of materials;
b. for activities dealing with:
1. public security;
2. public health;
3. national defense;
4. supervision.

Article 5. The highway transportation vehicles owned by the federal government, autonomous agencies, and public foundations which do not fall in any of the categories mentioned in the previous articles shall be auctioned within 60 days after the date of publication of this decree.

Article 6. Vehicles owned by third parties may not be contracted except in case of special services of high interest to the federal government. Contracts shall be authorized by the Federal Administration secretary, and the authorizations shall be published in the FEDERAL GAZETTE.

Article 7. The offices and agencies mentioned in Article 1 may not:
I. Claim rights over the vehicles owned by state-run or mixed companies;
II. Extend existing contracts or sign new contracts for the collective transportation of workers from their houses to the office and vice versa;
III. Extend existing contracts or sign new contracts for renting personal representational vehicles.

Article 8. Within 60 days after the date of publication of this decree, state-run companies, mixed companies, and other agencies under direct or indirect federal government control shall sell all land transportation vehicles used for transporting their managers.

Article 9. All passenger airplanes owned by autonomous agencies, foundations, state-run companies, mixed companies, or agencies under direct or indirect federal government control shall be sold within 90 days.

Article 10. The directors of state-run companies, mixed companies, and other agencies under direct or indirect federal government control shall call for a general shareholders' assembly, which shall address the following issues:
I. The subjects specified in Articles 8 and 9;
I. The modification of the statutes for the designation of the office head of the ministry to which they are subordinated as president of their respective Administration Council.

Paragraph 1. The terms of this Article are for all purposes equivalent to section "c" of Article 123 of Law 6404, dated 15 November 1976.

Paragraph 2. At the general shareholder's assemblies, the vote of the representative of the federal government or of the supervisory federal agency shall guarantee the selling of the goods, as is set forth in this decree.

Article 11. Up until 31 December 1990, traveling abroad shall be authorized only in the following cases:
I. Negotiation or formalization of international contracts for which there is evidence proving that they cannot be held or formalized in Brazil or through embassies, representatives, and offices abroad, subject to Federal Administration Secretariat approval;
II. Delegations or representatives designated by the president of the Republic;
III. Military missions;
IV. Rendering of diplomatic services;
V. Cultural, scientific, or technological exchange which has been authorized by the Ministry of Foreign Affairs;
VI. Scholarships strictly for post-graduate courses.

Single Paragraph - Except for the cases under items II and IV, the employee shall submit to the National Treasury Secretariat—within 15 days after returning to the country—a report accounting for the per diem he received. He shall also submit a report on the work he performed to the office for which he works.

Article 12. Trips to attend scientific congresses and similar international meetings abroad that do not surpass 15 days, including transit time, can be authorized up to a limited ceiling, if approved by the appropriate offices of the Federal Public Administration.

Article 13. Trips not foreseen in Articles 10 and 11 can be authorized at the official's private expense.

Article 14. Employees in offices or entities of the centalized or de-centralized public administration can no longer work on loan, nor be requisitioned to work, elsewhere.

Paragraph 1. Under no circumstance will public employees whose cases are mentioned in this article be loaned or requisitioned, and all of them must present themselves at their original place of work until 1 May 1990 or they will be charged with abandoning their jobs or positions.

Paragraph 2. The provisions of this article do not apply to:
a. Requisition of employees in virtue of specific orders contained in a law, or at the request of offices of the Presidency of the Republic;
b. The loan of employees to head offices or entities of the Federal Public Administration;
c. The loan of employees to head offices or entities of the states, Federal District, and municipal administration.

Article 15. The employees who have been loaned to the Federal Senate, to the Chamber of Deputies, and to the Superior Courts—whose loan has already been authorized, and the period established in the authorization, has not yet ended—will continue to be loaned.

Article 16. The hiring of publicity services for ceremonies, programs, works, and campaigns under the responsibility of the offices of the Presidency of the Republic and of the ministries will be done through the Exclusive Commission for Bidding of Publicity Services, which will be presided over, in the first year, by the head of the president's Personal Cabinet.

Paragraph 1. The terms of this article apply to the cases in which the loan period is extended or the contracts currently in force are renewed.

Paragraph 2. An internal regulation approved by the president of the Republic will establish the confirmation and functioning of the commission foreseen in this article.

Article 17. The Commission for the Approval of Basic Projects for Publicity Services is placed in the president of the Republic's Personal Cabinet, and will be presided over by the head of the Personal Cabinet. The commission will decide about basic publicity projects and stimulate, with the objective of rationalizing the public resources, its integration and hiring under the form of a consortium or of an agreed contract, as long as more than one office or entity of the Federal Public Administration is interested in its work. It will also issue the instructions that may prove necessary to comply with the terms of the article.

Paragraph 1. At the invitation of the president of the commission, experienced people with corroborated knowledge of the matter, and representatives of the offices or entities interested in the matter, can also attend the commission meetings.

Paragraph 2. An employee will not be paid to take part in the commission.

Article 18. The publicity contracts currently in force—which will be adapted to the requests and conditions contained in the instructions referred to in the final part of the previous article, and respecting the terms of Article 55 of Decree 2300, dated 21 November 1986—will be suspended for 60 days beginning on the date this decree is published.

Article 19. As of the date this decree is published, it is forbidden to use budget allocations, or to assign funds, to pay for subscription to magazines, newspapers, and weeklies—other than those of a strictly technical nature—or for the printing of personal cards, mementos, invitations, and other expenses of a personal nature.

Article 20. The supervision of the measures contained in this decree and the verification of responsibilities is up to the offices comprising the Executive Branch System of Internal Control, and the Fiscal Councils or equivalent offices of the autonomous organizations, foundations, public enterprises, mixed economy enterprises, and other entities that are controlled —directly or indirectly—by the Federal Government.

Single Paragraph—The heads of offices and entities, including the representatives of the Federal Government mentioned in item 2 of Article 10, who disrespect or overlook the norms established in this decree will be held administratively and civilly responsible.

Article 21. Without contradicting the provisions of the pertinent legislation, the offices and entities mentioned in this decree will publish in the OFFICIAL GAZETTE, within 15 days of the date of the event, an extract of the contracts related to:
I. Advisory and similar service, including those resulting from legal obligation or those stipulated in contracts with international entities;
II. Any type of subcontracted labor.

Single Paragraph. The terms of this article also apply to services paid through receipt.

Article 22. All contradicting provisions are hereby revoked.

Brasilia, 15 March 1990: 169th of independence and 102nd of the Republic.
Fernando Collor
Bernardo Cabral

Resolution 64: Application of Resolution 58

PY2803150290 Rio de Janeiro O GLOBO in Portuguese 24 Mar 90 p 6

["Text" of Resolution 64 issued in Brasilia on 23 March]

[Text] Exercising the authority vested in her by Article 87, Item IV, of the Constitution, and by Article 18, Item IV of Provisional Measure Number 168, dated 15 March 1990, with the text provided by Article 1 of Provisional Measure Number 174, dated 23 March 1990, the economy, finance, and planning minister resolves:

Article 1. The terms of Resolution 58, dated 18 March 1990, apply to the farmers registered at the National Institute of Land Reform and Settlement (Incra).

Article 2. This resolution will go into effect on the day of its publication.

Article 3. All contradicting provisions are hereby revoked.

Brasilia, Federal District, 23 March 1990; 169th year of independence and 102d year of the Republic.

Zelia Maria Cardoso de Mello

Economy, Finance, and Planning Minister

*** Opposition Activities at Home, Abroad Viewed**

*** Meeting on Bloc's Formation**

90ET0156A Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Feb 90 p 7

[Article by Clovis Rossi: "Seven Leftist Parties Discuss Unity in Sao Paulo"]

[Text] On 21 January, the embryo of a single bloc of leftist parties was formed in Sao Paulo, to participate in the October elections, both for executive and parliamentary posts on the federal and state levels. Seven parties agreed to send high-level representatives to the headquarters of the PSB [Brazilian Socialist Party] in Sao Paulo to discuss the formation of a bloc. It was to include the PT [Workers Party], PSB, and PCdoB [Communist Party of Brazil] (which put together the Popular Brazil Front, on the first round in the presidential election), plus the PH [Humanist Party], PCB [Brazilian Communist Party], PV [Green Party], and PDT [Democratic Workers Party] (which supported the candidates of the Popular Brazil Front on the final round).

If it works out, this leftist hodgepodge on the electoral chessboard in Sao Paulo will have repercussions not only on the parties which will be participants in this front, but also on at least two others which will remain outside it (the PMDB [Brazilian Democratic Movement Party] and PSDB [Brazilian Social Democratic Party]).

The preliminary talks among the seven parties noted the obvious—the single candidate for the executive branch must come from the cadres of the PC [Communist Party], the strongest party of the seven. "We are not debating the fact that the PT is the majority party on the left. What we want is that it not be hegemonic," Federal Deputy Joao Herrmann Neto, leader of the PSB in the Chamber of Deputies, says, for example.

It seems evident that the PT will supply the candidate, but it is less clear whether the leftist alliance will make the life of Plinio de Arruda Sampaio, the potential PT candidate, any easier. Some of the parties involved in the negotiations believe that Plinio's profile is too similar to that of Mario Covas (PSDB), for example, who is also a potential candidate for Sao Paulo government office.

As the leftist front is attempting to differentiate itself substantially from the other political groups, a candidate with such characteristics would face difficulties. This is true, among other things, because the stated intention, outside the PT, is to avoid having to accept an accomplished fact—in other words, to discuss with the PT who the joint candidate will be, instead of simply endorsing the candidate the PT chooses through its own internal mechanisms.

With the front consolidated, Vice Governor Almino Affonso would find his exit door from the PMDB closed. He is negotiating with the PDT with a view to the eventuality that he may be defeated by Governor Orestes Quercia in the battle for nomination as the PMDB candidate for government office.

If the PDT reaches agreement with the groups on the left, Almino will have no place in it. He will not be able to run as a candidate for government office, but will be just another candidate on the joint parliamentary slate.

Where the PSDB is concerned, the problem is different in nature. The organizers of the leftist front want to win over the leftist faction in the PSDB, and they have even mentioned state deputy Waldyr Trigo by name. As is evident, this gesture of invitation is a part of the love affair between the leftist faction in the PSDB and such parties as the PT and the PDT, which to date has developed only on the federal level.

The left wing believes that the PSDB is divided between a more centrist group headed by its national president, Franco Montoro, Senator Fernando Henrique Cardoso, and Federal Deputy Jose Serra, and Senator Mario Covas, who is situated farther to the left. This was indicated by the fact that he supported Lula on the second round of the presidential election, among other things.

This effort being made on the left is to secure a PSDB candidate from the centrist nucleus of the party (Montoro or Fernando Henrique), which will serve to differentiate the two camps still further.

According to the calculations of the left wing, there will be a strong candidate on the right (Paulo Maluf, of the PDS), a split in the center (the PMDB candidate versus that of the PSDB), and a strong candidate on the left (the choice of the coalition of seven parties, which is beginning to be discussed).

The embryo of a leftist front is not limited to Sao Paulo. Bahia and Alagoas may develop the same thing in their respective elections.

* Priorities Identified

90ET0156B Sao Paulo FOLHA DE SAO PAULO in Portuguese 16 Feb 90 p 7

[Article by Andrew Greenlees, with special correspondent Ari Cipola: "Left Forms Bloc To Oppose Collor"]

[Text] Brasilia—Yesterday the formation of the bloc which will oppose the government of Fernando Collor in the National Congress began. On the very first day of parliamentary activity, representatives of the PT [Workers Party], PSB [Brazilian Socialist Party], PCdoB [Communist Party of Brazil], and PDT [Democratic Workers Party] met to agree on methods of joint action. Today the PCB [Brazilian Communist Party] will be contacted. According to Deputy Joao Herrmann (Sao Paulo), the PSB leader in the Chamber, the leftist bloc currently includes 63 deputies, and is the third-largest bench in the Chamber in terms of numbers, following the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party].

The priority of the leftist bloc, which is also known as the "systematic-opposition" bloc, since there will be a "critical-opposition" bloc prepared to support the president-elect on certain issues, will be the composition of the commissions in the Chamber. Of the 13 existing commissions, the bloc hopes to elect the presidents of at least three. In accordance with the new Constitution, the commissions have expanded authority, even including the approval of laws without a vote in plenary session.

The key leaders of the bloc, moreover, hope to enroll members of other parties. The losing PT candidate for the presidency of the Republic, Deputy Luis Inacio Lula da Silva (Sao Paulo), promises "to play a tougher game" against the Collor government. But the 63 deputies would not be enough for this purpose, and Lula believes in the possibility of winning over the PSDB [Brazilian Social Democratic Party] and the PMDB of Deputy Ulysses Guimaraes. "Here within, Ulysses is stronger than he is in the streets," Lula says.

Apart from the commissions, the opposition bloc will plan a strategy in the next few days for taking advantage of the division of the free radio and television electoral schedule for the October elections of the governors, federal deputies, senators, and state deputies. There is further a proposal to "make the abuse of economic power in the elections a criminal offense," according to Joao Herrmann. This project has not yet been worked out.

The leftist bloc will also attempt to block the broad transfer of power to the executive branch, which the opposition deputies believe to be a goal of the future government, with the announced dispatch of draft laws to the Congress.

"You want a blank check," Deputy Jose Genoino of the PT (Sao Paulo) complained yesterday when he encountered the future minister of justice, PMDB Deputy Bernardo Cabral (Amazonas), during the plenary session of the Congress.

* French Party Congress

90ET0156C Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Feb 90 p 5

[Article by Reali Junior: "Opposition To Inspect French Social Democracy"]

[Text] Paris—On the very day the president-elect, Fernando Collor, was taking office at the Planalto Palace, a number of opposition politicians were traveling to Europe. Beginning on 15 March, in Rennes, Brittany, the French Socialist Party will hold yet another of its congresses, with representatives of various Brazilian parties present. Apart from the PDT [Democratic Workers Party] of Leonel Brizola, a known supporter of the social democracy of Francois Mitterrand's PS [Socialist Party], representatives of parties such as the PSDB [Brazilian Social Democratic Party], PT [Workers Party], PMDB [Brazilian Democratic Movement Party], and PSB [Brazilian Socialist Party] were invited to attend.

According to socialist leaders close to the prime minister, Michel Rocard, it is not impossible that there may be a rapprochement in the future between the PS and Fernando Collor's PRN [National Reconstruction Party]. During the recent talks with European government leaders, including Rocard, the Brazilian president has repeatedly revealed that he views social democracy with favor. The socialist leaders in France further say that the representatives of the PSDB, PT, PSB, and PMDB will be welcomed with open arms in Rennes, not only by the French Socialist Party, but also by the Socialist International, which currently has captured only the dark socialism of Brizola's PDT.

Former governor Leonel Brizola's party was officially admitted as an active member of the International at the congress held in Stockholm, Sweden, in 1989. The PSDB may be the second Brazilian party to join the International. Its official application for membership is to be submitted to a council meeting of the organization soon. Talks with this in view have been undertaken by PSDB Senator Fernando Henrique Cardoso (Sao Paulo). He

and PSDB Deputy Euclides Scalco (Parana) are going to France at the beginning of the month to participate in the congress of the French Socialist Party, at which time they intend to pursue these talks. Jamil Haddad, of the PSB; Leonel Brizola or Bocaiuva Cunha, of the PDT; and probably Fernando Gasparian, of the PMDB, also plan to be present at the congress of the French Socialists in Rennes.

Pluralism

The Socialist International has received innumerable applications for membership from political parties in countries throughout the world. There is nothing to prevent more than one party from a given country from joining that organization. The two Belgian socialist parties are both members, as are three parties in Israel and two in Lebanon. This openness toward other parties is being promoted by the French, Spanish, and Portuguese socialists, that is to say the social democratic parties in what is called Latin Europe. This time, in a departure from its actions on earlier occasions, the French Socialist Party has invited representatives of the leading Brazilian opposition parties with similar concepts to attend its congress, in order to prevent monopolization of its relationships by a single party.

Even the party of the president-elect, Fernando Collor, the PRN, depending on how it develops, could in the future also be invited to attend such international gatherings. This possibility has not been excluded by those in certain factions of the French Socialist Party who are even prepared to facilitate a future rapprochement between this party and the Socialist International. To date, the socialists have noted, with a certain satisfaction, the statements made by the president-elect, who is attempting to define himself as a convinced social democrat in his talks and contacts with his interlocutors abroad. This trend was noted in the meetings held with socialist leaders affiliated with the International, including President Francois Mitterrand and the prime ministers of France and Spain, Michel Rocard and Felipe Gonzalez, respectively. However, this will have to be confirmed by the actions of President Fernando Collor—in other words, the actions he pursues as the chief of state.

* Contract Delay Imperils Telecommunications Area

90ET0161A Sao Paulo ISTO E in Portuguese
7 Feb 90 pp 34-42

[Article by Altamir Tojal and Carlos Jose Marques; followed by interview with Minister of Communications Antonio Carlos Magalhaes; date and place of interview not given]

[Text] Imagine the television stations going off the air—all at the same time. Imagine the banking system paralyzed—with no way to make payments by check or even to verify one's account balance because terminals at the bank branches are unable to get data from the central computers. Also imagine a good many towns being isolated from the rest of the country—with no telephone, fax, or telex links. And last, imagine the situation which large firms operating all over the country—Varig [Rio Grande Air Transport] and Petrobras [Brazilian Petroleum Corporation], for example—would find themselves in if communications between their computers were cut off.

That terrifying scenario—a fitting plot for a disaster movie—may become a reality in Brazil if our negligent government continues to delay a decision on the purchase of second-generaton Brasilsat satellites until the critical moment when there will not be enough time left to launch the new satellites and get them operating before the current ones collapse. If that happens, even all the electronic equipment at the Satellite Control Base in Guaratiba, Rio de Janeiro, will not be able to save the situation.

The tumultuous soap opera concerned with international competition to supply the two satellites that will replace Brasilsat-1 and Brasilsat-2 and to provide the launch service—a deal worth $300 million—has been on the air since the start of last year. There could not be a better title than "Star Wars" for this kind of soap, which involves international pressures, diplomatic plots, battles of information stirring up firms in the aerospace industry, and public figures who are "stars" in their own right, examples being the heads of government of big powers, industrialists, heavyweights in the business world, and military commands.

In their cool calculations concerning the projected demand for telecommunications services in coming years and the expected useful life of the current satellites, the experts at Embratel [Brazilian Telecommunications Company] certified in a technical document that "the ideal time for signing contracts with the winners of the bidding process would be October 1989" so that Brasilsat-3—the first of the next generation—"could be launched in August 1993." If that were done, and if everything went right, the replacement of Brasilsat-1, which entered space in 1985, could begin with no risk of breakdowns in telecommunications traffic and no need to restrict the growing demand for satellite utilization.

That ideal deadline has already passed, and the risk of collapse is increasing with every day that passes. The situation would be uncomfortable even if a quick decision had been made under the Sarney administration, but it could have been handled by selecting users and redistributing traffic to the ground networks. But if the launch rocket fails and loses that first satellite—and there is a more than negligible 15-percent chance that it will—the difficulties will become so much worse that large portions of the traffic will have to be excluded from the system. And if that happens, who is going to be knocked off the air? TV networks or the banks? Telephones or the computers of the big firms?

In the face of that threat, it is difficult to see why the government is not announcing the winners of the competition and speeding up negotiations with a view to

signing the contracts as soon as possible. The excuses are many, even though the bids were opened last March—that is, almost a year ago. The minister of communications, Antonio Carlos Magalhaes, says he has not had time to decide which is best and also raises the argument that since we are the eve of a new administration, it is preferable to let the new team take responsibility for the choice. "I would rather let the new administration decide than have people saying that I took a bribe," he admitted in an interview with ISTOE (see below). There is also a strange controversy over the existence or nonexistence of the final report by the bid committee, which indicated the winners last November: Hughes of the United States for the satellite and Arianespace of France for the launcher. The minister says he is not aware of the document. The chairman of Telebras [Brazilian Telecommunications, Inc.], Almir Vieira Dias, claims that he tried unsuccessfully to deliver the report to the minister: "The minister asked that the president-elect's team be consulted before we submitted the report."

The minister's head-in-the-sand policy did not produce the desired effect. A copy of the document in question has been obtained by ISTOE. It was ready before the deadline in August, but was pigeonholed. Experts and executives at Telebras and Embratel who are on the committee are avoiding the press, but they have told friends that their superiors put pressure on them not to sign the document. "It is better if you do not sign it because the minister does not want to get that document," Vieira Dias allegedly told the experts during a meeting at Telebras in Brasilia back in November. Despite that, the document was signed the next day.

In turning up his nose at the report, Minister Antonio Carlos has done just the opposite of what he did in the recent case involving mobile telephones. The bidding in connection with mobile telephones went through evaluation procedures, also at Telebras, and was the object of a technical report awarding the contract to the NEC [Nippon Electric Company], one of whose stockholders is businessman Roberto Marinho. Once the committee's report was in his hands, the minister announced the result in record time. His response to criticism concerning favoritism was that the technical report had been published in newspaper advertisements. For similar situations, two weights and two measures.

The minister's argument for pushing the decision off on the Collor administration is that the matter is too serious to be decided at the end of an administration's term of office. That would be a fair excuse if he had not been sitting on the matter since October of last year. With that as their excuse, Antonio Carlos Magalhaes and President Sarney as well are escaping pressure from the governments involved—chiefly those of the United States and France. The French Government is interested not only in defending Arianespace's bid to launch the rocket but also in ensuring participation by the French firms of Matra [Mechanics, Aviation, and Traction Company] and Alcatel [Alsatian Company for Atomic, Telecommunications, and Electronic Construction], which, along with British Aerospace and Brazil's Victori International (which is linked to businessman Roberto Marinho), make up the consortium known as Spar, whose bid to build the satellite was passed over by the bid committee. They are also escaping the additional pressure from the diplomatic war started by the United States against France and Canada to keep them from transferring space technology to Brazil.

Only a combination of huge doses of incompetence and negligence could result in a situation that is exposing the country to international ridicule and threatening one of the most strategic areas in the functioning of the economy. Although Deputy Renan Calheiros, who is one of the wild cards in the Collor administration's transitional team, refused to accept the hot potato represented by this decision when it was offered to him by Minister Antonio Carlos Magalhaes, the president-elect and the team accompanying him on his current world tour are doubtless already feeling the heat on this subject. Shortly before Collor began his trip, the vice president of Hughes Aircraft, Richard Bradberry, who has visited Brazil within the past 6 months, expressed the hope that "President Bush will show Collor the seriousness of a political decision that does not take the technical and financial advantages of our proposal into account." Immediately after that, he left for the United States, doubtless to pave the way with his government. There are similar expectations with respect to the visit to France. The host at Collor's meeting with the A-team of French businessmen will be none other than the group chairman himself, Jean-Luc Lagardere.

On the domestic front, last week was enlivened by the appearance in the press of an apocryphal report that in view of the deadlock, the urgency of the decision, and also the embarrassing circumstance that all this is happening during the transition between two administrations, Brazilian authorities might call for new proposals from the bidders in order to obtain lower prices. Right from the start, that would be of no interest to Hughes, which in this undertaking is a partner of the Brazilian firm of Promon Engineering, since the bid committee has already issued an opinion in its favor. But such a step would give Spar another chance. The choice is simpler as regards the launcher, since Arianespace's advantages were considered far superior to those of the bid by McDonnell Douglas of the United States. There is a very high likelihood that the Collor administration will reject the whole mess and decide to call for new bids. If so, the only thing left is to pray and hope that God will once again be a Brazilian. To keep the blackout from happening, the whole process will have to move with the speed of a spaceship, and nothing can be allowed to go wrong.

Besides the matter of price, something else at stake in the choice of satellites is a philosophical clarification involving the ability to foresee the country's future telecommunication needs and a decision as to who should decide what the country is really going to need. In specifying the capacity of the satellites in its call for bids, Embratel established a need for 56 channels (transponders) for civilian communications (the C-band) and 2 for

military purposes (the X-band). That choice was based on the firm's projections concerning demand. Channels for more sophisticated services were not requested so as not to increase the cost of the undertaking, having in mind the government's financial limitations.

While Hughes offered a tailor-made satellite to meet the specifications in the call for bids, Spar proposed a much larger satellite with the capacity for additional sophisticated services. Its Brazilian partner, Victori, is trying to convince authorities that the Brazilian market will need such services and that private enterprise is prepared to bear the burden of responsibility.

In the squabble between consortiums, Hughes says that the Brazilian Government asked for a Volkswagen minibus and that that is precisely what Hughes came up with, while Spar is trying to push a much more expensive Mercedes Benz truck. In the battle underway between the competitors, the chief weapon seems to be the web of intrigue spun by both sides. Richard Bradberry of Hughes has described the offer of additional services by the consortium headed by Spar as "unethical." The Brazilian Government and especially the state-owned Embraer [Brazilian Aeronautics Company] were allegedly dazzled with the promise that the Canadian Government would buy 120 Tucano aircraft as part of the barter agreement. The procurement order held out by Spar as enticement—with the explanation that the Tucanos would replace the Canadian Air Force's fleet of 150 Tudor aircraft—was not guaranteed, however. Following a detailed survey under the title "Program for Extending the Service Life of the Tudors," the Canadian Department of National Defense concluded that the fleet would last beyond the year 2005.

It was Hughes which sounded the warning by leaking information it had obtained from the U.S. Embassy in Canada. In its counterattack, Spar divulged a legal opinion unfavorable to Hughes and, as recently as December, sent Telebras a letter asking that its competitor be disqualified for not meeting the requirement that there be a formal guarantee from the U.S. Government concerning transfer of the technology for the U.S. satellite. Telebras turned down the request. The Indian wrestling was then replaced by insults. The manager of the Matra company, Reynad Da, called the U.S. satellite communications firms "imperialists." Raul Del Fiol, manager of Promon Engineering, the Brazilian firm working with Hughes, retaliated: "They are apprentices with no experience." Several news stories were "planted." "Spar has never won an international contract," they said. But last year, in partnership with Matra, it did win one in Spain. "Hughes doesn't know how to build satellites that combine the military X-band with the civilian C-band." But Hughes models of that type are in use in Mexico, Australia, and Japan.

Since March 1989, when the bids from both competitors were opened simultaneously, Spar and Hughes have plunged into an aggressive marketing campaign. Their zeal is justified. Experts say that the world satellite market has exactly 29 customers around the world and is now worth about $2 billion per year. This means that just the bidding for Brasilsat—which will give the winner a contract worth about $200 million—probably represents over 10 percent of total satellite sales.

It is the additional services that are at the root of all the intrigue. The problem is that Hughes stuck to what was specified in the call for bids, while Spar not only met those requirements but also offered built-in possibilities as being "marvels of the technological future," an example being mobile transmissions via satellite. The game has been further complicated by barter agreements. Everything has appeared. The consortiums have spared no efforts in this area. "We already have contractual commitments with Embraer stating that it will supply part of the satellite structure," says Andy Sztyk, the superintendent of Spar. Bradberry says: "Hughes is going to buy more than $100 million worth of services and computer programs alone from Promon."

That arsenal of offers is catching the attention of many people, and comments are coming from all directions. One of them, calling for competitive bidding to be managed by Telebras, which is supervised by the Ministry of Commerce, went too far. Stepping in with opinions were the Armed Forces General Staff, the National Institute of Space Research (INPE), the Ministry of Foreign Affairs, state-owned firms, and various domestic companies with an interest in the outcome, examples being Engetronica [expansion unknown] and Embraer itself. From the standpoint of the consortiums involved, winning the competitive bidding may mean getting a stamped passport to a dazzling future in other Latin American markets. And it is that expectation which is exacerbating a quarrel fueled by political ingredients, name-calling, and elbowing.

Spar's trump card is the useful life of its satellites: they will supposedly remain in space for 15 years. Hughes' trump card is price: it is charging less. Hence the shootout that has dragged on for months. At the same time, other candidates have jumped into a smaller fray for the privilege of placing the satellites in orbit. Running in this race are the U.S. manufacturer McDonnell Douglas with its Delta rocket, China's China Great Wall Industry with its Long March rocket—it was disqualified right from the start for not meeting the specifications in the call for bids—and the European consortium Arianespace with its Ariane, which has always been the clear favorite from the technical and commercial standpoints. Although easier, the decision on a rocket is tied to the choice of satellite and, like the latter, is up in the air until the official decision is announced.

Standing in the cross fire with nothing to protect them are the experts at Telebras and Embratel, which are in charge of the bidding. The final report which they prepared not only gave the victory to the Ariane launch rocket but also concluded that the Hughes satellite was superior operationally as well as cheaper from the standpoint of a useful life of 12 years. According to the report,

the bid by the U.S. firm was considered "preferable from the technical point of view," while Spar's bid was considered "acceptable" but "less efficient" and regarded as presenting a "greater risk." "Risk" refers to the chances for accurately launching the satellite and properly positioning it in space.

As far as price is concerned, the report, whose calculations include financing costs, says that the Hughes proposal will cost $404 million, compared to $508 million for Spar. That is a difference of $104 million, to which would be added the additional $26 million needed for launching the Spar (because of the size and weight of its satellites). This means that the total additional cost of the Spar would come to $130 million. Excluding the cost of launching and financing, the price of the two bids is reduced to $172 million (Hughes) and $255 million (Spar). The chairman of Victori International, Pierluigi d'Ecclesia, challenges the conclusions in the report. He has written a cover letter in which he says that Telebras did not take the discount fully into account. As a result of the financial gymnastics involved in his way of counting, the difference falls to a slim $26 million at present values, including expenses and the higher launch cost.

Taking place behind the controversy over the sale of second-generation telecommunications satellites to Brazil is another battle of similar proportions but one that is quieter than the commercial bombardment underway by the consortiums headed by Spar and Hughes. At stake in that parallel war is the transfer of technology for the Brazilian space program—a modest undertaking compared to what is being done by the big powers but one aimed at winning part of the international market for the production and launching of small scientific satellites. This is an area where Brazil would have advantages over the big powers. "We are working on a model similar to that of Embraer, which began with a very simple project called Bandeirante and is now flying higher," says Brigadier General Sergio Cerolla, director of the Aerospace Technology Center.

There is less noise surrounding the battle for technology transfer, but some serious pushing and shoving is going on. It involves strong diplomatic pressures and is stirring up research centers and high-tech industries in various countries. The main sticking point is the international embargo on the sale of equipment and technical know-how in the area of satellite launches. That embargo, sponsored by the U.S. Government, is honored by the Group of Seven, which consists of the most highly industrialized countries in the capitalist bloc. The Missile Technology Control Regime, an agreement signed in 1987, made the embargo even more restrictive and was a direct blow to the Brazilian space program. "Many things which we could have bought from other countries are having to be developed and manufactured here. This increases the cost and delays our projects," complains Brig Gen Cerolla, who has devoted his entire career to development of the aerospace industry.

The official argument used by the big powers to justify the embargo is that they want to prevent the proliferation of nuclear weapons and of vehicles that might be used to launch those weapons. Because it has not signed the Nuclear Non-Proliferation Treaty, Brazil is one of the countries chiefly targeted by that restriction. Another excuse is that countries with access to those technologies must be prevented from reexporting them to nations involved in wars or to East European countries.

"It is clear that they fear the military use of the rockets we are building as well as the reexportation of the technology we might obtain from them," admits Brigadier General Ajaz de Melo, deputy chairman of the Commission for the Establishment of Military Satellite Communications. "But the bigger problem is commercial: the fear that we may occupy areas controlled by their industries." And in that respect, the same stand is adopted by the Soviet Union, which does not make technological cooperation in this field easy. China has been the only exception: it is cooperating with the INPE on a joint program for the production of satellites that is more ambitious than the so-called Brazilian Complete Space Mission, which is the project being developed autonomously in Brazil.

It is that context which makes the process of acquiring the second-generation Brasilsat satellites seem like a golden opportunity for penetrating the technological blockade. "We cannot waste this chance to get what we need," says engineer Marcio Barbosa, the INPE's director general. With the experience of someone who has been involved in the effort to establish the aerospace industry in Brazil for two decades. Barbosa says that "this is a unique opportunity, and if we lose it now, it will be 10 years before we get another chance"—that is, when the bids go out for the third-generation Brasilsat.

Under the terms of the call for bids in connection with Brasilsat, technology transfer was required to be one of the forms of countertrade offered by suppliers, and it immediately became the most sensitive subject in the diplomatic area. Several manufacturers dropped out of the bidding at once because they knew that their governments would neither authorize the transfer of certain items nor support the related commercial countertrade. Among them were Ford Airspace of the United States and Aerospatiale [National Industrial Aerospace Company] of France. Hughes is only able to guarantee the purchase of Brazilian products because its controlling company, General Motors, has taken responsibility for increasing its imports from Brazil. The question is whether that increase was not already part of GM's future plans regardless of the satellite deal.

The U.S. competitors—McDonnell Douglas in the case of the rockets and Hughes in the case of the satellites—were authorized by their government to offer technology transfers with the proviso that the contractual commitments would subsequently have to be approved. In response to the Brazilian Government's expressed doubts regarding final approval by the Americans,

Hughes sponsored a visit by Ambassador Harry Schulaudeman to Minister Antonio Carlos Magalhaes. The ambassador said he was confident that "the U.S. Government will guarantee technological assistance." Trade representative Carla Hill also got into the act, but she was as slippery in her comments as the ambassador. In a letter dated last June, she said that "it would be incorrect to conclude that Hughes would not be able to fulfill its obligations."

The U.S. Government seems to have had even less commitment to the proposal by Douglas, either because of the obvious advantages of the proposal by the European Arianespace consortium or because rocket technology is even more sensitive than that for telecommunications satellites. The Canadian-French satellite offered by the consortium headed by Spar also caused less of an uproar over the issue of technology transfer because in that respect, the governments of Canada and France are less hard-nosed than the United States.

The biggest fight over technology has concerned the U.S. Government's pressure on France to withdraw the transfer license granted to Arianespace. France is a signatory to the agreement of 1987, but feels that this transaction with Brazil does not violate that agreement. Last October, U.S. Vice President Dan Quayle warned that "if a company that has contracts with the United States enters into that type of cooperation, it will face strong action on the part of the U.S. Government." The message was understood, and the governments of the FRG, Great Britain, and Italy, which were also participating in Arianespace, dropped out. Only France stuck with the proposal.

The result is that only the know-how concerning the French components of the Ariane rocket might be offered to Brazil. In any case, Arianespace's proposal is similar to the one by Hughes of the United States. The contracts with Brazil will have to be approved after the fact by the French Government. Moroever, there is no guarantee that despite government backing, Arianespace itself will not back out in the future if U.S. pressure on the firm grows unbearable.

In short, there are many "dark clouds" hanging over the future of Brazilian satellite telecommunications, and they reveal two dramatic circumstances within the country. First, the negligence of the authorities demonstrates that the current administration, which is now about to leave office, has been incapable of mediating various interests and pressures and achieving what is best for the country. By leaving the decision on the satellites for the incoming administration, it is evading its responsibilities and exposing society to risks that could be completely avoided if it had fully exercised its duty to govern. The second circumstance has to do with our technological limitations. When all is said and done, the use of space resources for our own benefit is still dependent upon decisions made elsewhere.

'Satellite War' in Brief

Technology: Hughes is offering a conventional "spinner"-type system. It claims that this satellite, which uses 50-percent less fuel for launching and signal transmission, is the one best suited to Brazil's needs. Spar is offering a triaxial system, considered the satellite of the 1990's. It is larger and can capture more energy and carry transmission channels. The bid committee chose the spinner-type satellite, considering it a "more efficient" model presenting "less risk."

Price: The Hughes satellite costs $172.4 million. The lead firm claims it charges lower prices because it has the technology for both satellites (spinner and triaxial). The Spar price is $225.9 million. The consortium headed by Spar claims that the total discount it offered, and which reduces the price to $198.4 million, was not taken into account. The committee feels that the most appropriate criterion is the "lowest equivalent annual cost" and has therefore decided in favor of Hughes.

Useful life: The Hughes satellite has a lifespan of more than 12 years. The consortium headed by Hughes says it is able to provide as many years of useful life as necessary to a maximum of 18, provided that the satellite carries more fuel. The lifespan of the Spar satellite is 15 years. Spar offered its satellite with a useful life of 15 years right from the start. In its evaluation, the committee disregarded the possibility of 15 years of useful life, feeling that a maximum lifespan of 12 years was sufficient.

From Alcantara to the Skies

The rocket launching base in Alcantara (Maranhao) will be officially inaugurated this month. That step will mark a milestone in the program known as the Brazilian Complete Space Mission (MECB), which has been under development since 1981. The final objective is to place four Brazilian-made scientific satellites in orbit using launch vehicles that have also been developed here.

The launch rocket, known as the VLS [Satellite Launch Vehicle], represents a further development of Sonda-IV, which has been undergoing tests since 1988. Development of the VLS is the responsibility of the Aerospace Technology Center, and over 100 firms in the country are now involved in the project. Although critical stages in its production have been mastered—an example being the production of a completely domestic solid fuel—the VLS is the segment of the mission that has suffered the greatest delay. The original timetable called for the first Brazilian satellite to be launched last year. The main reason for the delay has been the international embargo on technology. Current forecasts call for the first rocket in the series to be launched in mid-1992.

Satellite development and production and the related operations bases on the ground are the responsibility of the National Institute for Space Research (INPE), and dozens of firms are also involved in this program. The first two satellites will be used for data transmission; the

others will be used for remote sensing. The first of the series will be ready in the middle of this year, and it may be launched by a rocket from another country if a decision is made not to wait for completion of the VLS.

MECB officials believe that the program has great commercial potential and feel that several countries may use Brazilian launch vehicles and even acquire small-sized satellites developed here. The most immediate commercial prospect is that the Alcantara base will be used by other countries. Thanks to the base's favorable location in relation to the equator, any launch from Alcantara will cost 30 percent less than a corresponding launch from Cape Kennedy, for example.

Interview With Minister Magalhaes

Minister of Communications Antonio Carlos Magalhaes is the key figure in the soap opera concerned with competitive bidding on the satellites and their launch vehicles. Breaking months of silence, the minister has decided to discuss the matter.

Question: There is widespread concern among the bidders and in the federal agencies involved in the bidding over the delay in choosing the winners and starting the second phase of the Brasilsat Program.

Answer: I feel that the lobbying being engaged in by the firms in connection with this decision is normal and to be expected, but I can guarantee you that we still have plenty of time, and there are still doubts about the prices submitted, since they are higher than those on the international market. On the other hand, I consider it morally impossible not to hear the future administration's opinion concerning a bidding process that involves so many millions of dollars.

Question: On the subject of prices, analyses by Telebras have indicated that both the cost of the two launch vehicles and the cost of the satellite offered by Hughes are within the state-owned firm's budget.

Answer: They are, but it is always possible to obtain a more reasonable price.

Question: Some businessmen involved in the bidding complain that you are trying to hold an auction and bending the rules laid down in the call for tenders.

Answer: We must do anything that will reduce the price of the satellite. It was the duty of the bid committee to think about that.

Question: After a year of work by the committee, is it still impossible to evaluate those quarrels over prices and financing?

Answer: That's right. We want to be as sure as possible that our decision will be in the best interest of the country.

Questions: Experts in the sector believe that the threat of a bottleneck in satellite telecommunications is growing.

Answer: No, there is no danger of that.

Question: And if it turns out that satellite services do collapse sometime in the future, who should take the blame?

Answer: I made my decision based on the advice of experts at Telebras and Embratel. So they have already assumed responsibility for that additional time.

Question: There have recently been reports that the bid committee has already completed its expert report and drawn up a final technical report recommending the winning firms.

Answer: I can say in all sincerity that that report does not exist, or if it does, I don't know anything about it because it has never come into my hands.

Question: And regarding the discussion you were going to have with the future administration of President Collor, have you done that yet?

Answer: So far, it has not been possible to discuss the subject with any of them. We spoke to Deputy Renan Calheiros, and he told me that he was only taking care of administrative matters at the moment.

Question: But is it definite that you are going to wait to see what the next administration thinks and that you even prefer to let that new administration make a decision on the bids?

Answer: If I make a hasty decision now, I will pay a very high price no matter which one I choose because there may even be legal consequences either way, and we will waste more time fighting the bidders in court. I would rather let the new administration decide than have people saying I took a bribe.

Chile

Cabinet Meets for First Time; Aylwin To Speak

PY2903004690 Santiago Domestic Service in Spanish 2300 GMT 27 Mar 90

[Excerpts] The government's navigational chart or key political criteria will be based on the platform of the Coalition of Parties for Democracy [PPD]. The framework of the current government's commitments has thus been established, according to Minister Secretary General of Government Enrique Correa at the end of the first meeting of President Patricio Aylwin's cabinet since it was sworn in on 11 March.

Correa said that it was a long meeting. It took some three and a half hours to decide how to implement all the current government's initiatives in the various fields. Enrique Correa told the media that this was the first Cabinet meeting held in democracy. [passage omitted]

[Begin Correa recording] The key political criteria or, as the president said during the cabinet meeting, the navigational chart of this team, is based on the platform of the PPD. This will be the framework of the current government's political commitments. The Cabinet's solidarity and performance as a body is based on deeply shared criteria. We ministers all regard ourselves as assistants of the president of the Republic in the main task of the government, a task by which the government will be judged: the consolidation of democracy in Chile. This is our key mission, and we are committed to it. [passage omitted]

We are all aware that although this government will only last four years, it must establish a long-term, transcendental future for the country. The transcendental goals, the first of which is to consolidate democracy, will be the substance of the presidential speech scheduled for 21 May. [end recording] [passage omitted]

Army Communique Outlining Command Reorganization

PY2803171890 Santiago EL MERCURIO in Spanish 12 Mar 90 p C 5

[Text] The Army yesterday released a communique to report the organization of the High Command as of today.

The text of the communique reads as follows:

"The Army Public Relations Department wants to report that beginning today, 12 March, the Army High Command will be organized as follows:
"Captain General Augusto Pinochet, Commander in Chief of the Army.
Lieutenant General Jorge Lucar Figueroa: Deputy Commander in Chief of the Army.
Major General Patricio Gualda Tiffaine: Inspector General
Major General Hugo Salas Wenzel: Chief of the General Staff
Major General Luis Serre Ochesenius: Commander in Chief of the Army 1st Corps.
Major General Luis Henriquez Rifo: Chief of Logistics Department.
Major General Rodrigo Sanchez Casillas: Director of Operations .
Major General Jorge Ballerino Sandford: Chief of the Advisory Committee.
Major General Eduardo Iturriaga Neumann: Director General for Mobilization.
Major General Alejandro Gonzalez Samohod: Commander in Chief of the Army 4th Corps.
Brigadier General Miguel Espinoza Guzman: Logistics Support Commander.
Brigadier General Hector Darrigrandi Marquez: Personnel Director
Brigadier General Carlos Parera Silva: Commander General of the R.M. [Mechanized Regiment] and P.S.A. [expansion unknown] garrison.
Brigadier General Gustavo Abarzua Rivadeneira: Intelligence Director
Brigadier General Guillermo Garin Aguirre: Commander of Military Institutes.
Brigadier General Richard Quaas Bornscheuer: Commander in Chief of the Army 5th Division.
Brigadier General Ramon Castro Ivanovic: Military Attache to USA.
Brigadier General Eterio Pavez Munoz: Military Attache to Spain.
Brigadier General Fernando Hormazabal Diaz: Military Industry and Engineering Commander.
Brigadier General Sergio Urrutia Francke: Administrative Support Commander.
Brigadier General Jaime Concha Pantoja: Commander in Chief of the Army 3d Division.
Brigadier General Osvaldo Palacios Mery: DIRADE [expansion unknown]
Brigadier General Carlos Carvallo Yanez: Military Geographic Institute.
Brigadier General Guido Riquelme Andaur: Commander in Chief of Army 2d Division.
Brigadier General Carlos Rudloff Molina: Commander in Chief of the Army 4th Division.
Brigadier General Ricardo Gaete Villasenor: Deputy Commander of the Army 2d Division.
Brigadier General Hernan Abad Cid: Engineering Command.
Brigadier General Juan Solari Rincon: Director of Instruction.
Brigadier General Hernan Ramirez Rurange: Commander in Chief of the Army 1st Division.
Brigadier General Patricio Varela Saldias: Army 6th Division Commander.
Brigadier General Javier Salazar Torres: National Academy of Political and Strategic Studies.
Brigadier General Carlos Drumm Rojas: Telecommunications Commander.
Brigadier General Jose Carrera Rivera: Commander in Chief of the Army 7th Battalion.
Brigadier General Jorge Lagos Silva: Commander General of the 6th and 7th Regiment Garrison.
Brigadier General Joaquin Matte Varas: Bishop of the Chilean Army.
Brigadier General Florencio Tejos Martinez: War Materiel Chief.
Brigadier General German Kuhlmann Holtz: Health Department Chief.
Brigadier General Fernando Torres Silva: Auditor General
Brigadier Victor Escobedo Roman: Finance Director.
Army Public Relations Department.

PCCh Allowed To Apply for Legal Recognition

PY2803225490 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 28 Mar 90

[Text] The Electoral Service has authorized the Communist Party of Chile [PCCh] to take the steps that will lead to its legal recognition. As soon as the court's decision was known, members of the PCCh set up tables on the

Ahumada Promenade to collect signatures. Passersby expressed curiosity, surprise, approval, and indignation over this fact.

PCCh leaders and workers of the construction sector came to the place and said that they will continue to struggle for the rights of the people. PCCh General Secretary Volodia Teitelboim said that this decision will allow the PCCh to participate in the legal and democratic process. He admitted that this arduous battle will demand a great effort, and he added that he is sure they will collect the signatures demanded by the Electoral Service.

Protection Ordered for QUE PASA Director

PY2803224690 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 28 Mar 90

[Excerpt] The government has ordered that police protection be granted to Roberto Pulido, director of the magazine QUE PASA, who this morning received a death threat.

A security meeting headed by the defense and interior ministers was held early this morning at La Moneda Palace. Present at the meeting were representatives of all security forces in the country. Nothing has been released on the matters discussed, but Enrique Correa, minister secretary general of government, said that these are strictly internal meetings. He reported, however, that the director of QUE PASA this morning received a death threat from a woman who telephoned him and identified herself as Mariela Vargas, spokeswoman of the Manuel Rodriguez Patriotic Front. Correa said that as a consequence of this threat, the interior minister has ordered immediate special police protection for Pulido. [passage omitted]

Colombia

ELN Leader Perez Reported Executed by Followers

PA2903023990 Hamburg DPA in Spanish 0132 GMT 29 Mar 90

[Text] Bogota, 28 Mar (DPA)—According to news reports heard tonight, former Spanish priest Manuel Perez, the top leader of the Army of National Liberation [ELN], was supposedly executed by members of his own rebel group. According to the newscast "Noticiero de las Siete," [broadcast on Inravision Cadena 2], the ELN tried Perez and sentenced him to death because he ordered the death of Arauca Bishop Jesus Emiro Jaramillo, perpetrated several months ago.

A report, gathered from military sources, notes that Perez was also accused of giving 400 million pesos (approximately $856,531) to the Basque separatist group ETA [Basque Fatherland and Liberty Organization] without the ELN's authorization. The pro-Cuban ELN is the most radical of all the guerrilla groups currently operating in Colombia, and in recent days it has been carrying out an intensive armed operation aimed at sabotaging the 27 May presidential elections.

Army Attempting To Confirm Death

PA2903051690 Bogota Radio Cadena Nacional in Spanish 0415 GMT 29 Mar 90

[Report by Hector Gomez in Bucaramanga]

[Text] Spanish Priest Manuel Perez, otherwise known as Poliarco, leader of the so-called Army of National Liberation, was reportedly executed a few days ago in eastern Colombia by the Camilo Torres Front of that guerrilla organization, according to reliable information that the military intelligence forces are trying to confirm.

This station has been able to establish that as a result of the assassination of Arauca Bishop Jesus Emilio Jaramillo last year, apparently on Perez' direct orders, there was serious discontent with Perez. This discontent was stirred up by Nicolas Rodriguez Bautista, the ELN's military chief, and Priest Jose Aurentino Sepulveda, commander of the Camilo Torres Front.

The mid-level commanders of the ELN also accused Perez this year of having sent to the Basque separatist group ETA 400 million pesos obtained from the extortion of petroleum companies in Arauca. It must also be added that while Perez had declared himself to be a staunch Marxist, some of his subordinates, led by another priest, Lucho Ayala, had proposed a return to dialectical Christianity.

According to reports and documents obtained by military intelligence, Perez was reportedly killed near the Perija mountain range. The Army's 2d Division, headquartered in Bucaramanga and commanded by General Jose Hernan Guzman, began intense operations in that area over the past few hours in an attempt to confirm the reports.

A spokesman for that military unit said today, regarding this station's report on Perez, that it has had the same information and was trying to confirm it. The Army division is carrying out its operations in Santander, Norte de Santander, and Cesar Departments, particularly in the Perija mountain range, where the Camilo Torres Front reportedly has executed Priest Perez, who succeeded ELN founder Fabio Vasquez Castano as leader of the extremist organization.

Five Leftist Labor Union Leaders Murdered

PA2803174190 Madrid EFE in Spanish 1613 GMT 28 Mar 90

[Text] Bogota, 28 Mar (EFE)—It was reported by police today that five leftist labor union leaders were killed, by unidentified persons, on the Guatapuri and Romeral farms, near the town of Chigorodo in the banana zone of Uraba, approximately 400 km northeast of Bogota.

Labor union leader Gentil Correa, a Popular Front alderman elected on 11 March, and Popular Front activists Anselmo Diaz and Jose Abelardo Perez were killed at the Guatapuri Farm.

Labor union secretary Miguel Angel Correa and Felix Espitia—who were also activists of the leftist Patriotic Union (UP)—were killed at Romeral farm.

The assassination of these two UP activists has raised the number murders of members and leaders of this party to 1,046 since its founding five years ago.

This is the first crime against UP activists reported since 22 March, when former UP president and presidential candidate Bernardo Jaramillo Ossa, 52, was assassinated in Bogota.

Forty-three peasants disappeared in the same zone of Uraba in December, after being forced into trucks by a group of armed men in military uniforms.

The Popular Front and the UP have blamed these assassinations and kidnappings on an extreme right-wing paramilitary organization led by cattleman Fidel Castano, who is being sought by the authorities on suspicion of involvement in several peasant massacres.

One day after Bernardo Jaramillo's funeral, UP President Diego Montana Cuellar said that Fidel Castano moves freely around the Uraba and Cordoba military garrisons in northwestern Colombia, but the Army has denied this.

Minister Denies Dialogue With 'Extraditables'

PA2903031890 Paris AFP in Spanish 2222 GMT 28 Mar 90

[Text] Bogota, 28 Mar (AFP)—Although he admitted to having met with two middlemen in seeking the release of several people kidnapped by the "Extraditables," Colombian Justice Minister Roberto Salazar said today that the government has not negotiated with the narcotics traffickers.

In an interview broadcast over the private Radio Cadena Nacional (RCN), Salazar has admitted attending a meeting with two middlemen who met with the Extraditables, the armed wing of the Medellin Cartel. As a result of this meeting, the Extraditables released Alvaro Diego Montoya, son of the secretary general of the presidency, German Montoya. The younger Montoya was kidnapped last 19 December in Bogota and released in January.

The middlemen—industrialists Mario de J. Aristizabal and Santiago Londono White— have issued a communique admitting their participation in these negotiations, but they explained it as a "humanitarian and affectionate" gesture requested by the Montoya family.

"They wanted the government to know that this was a humanitarian effort undertaken without committing the national government to rescuing the people that were being held hostage by the narcotics traffickers," Salazar pointed out.

Since 25 March, there has been controversy in Colombia over the resignation letter of Government (Interior) Minister Carlos Lemos. In his resignation letter, Lemos said that the authorities were "softening" their struggle against the narcotics traffickers. Other members of President Virgilio Barco's government have publicly rejected such an accusation.

Salazar said that the Security Council has listened to Aristizabal and Londono at the Narino Presidential Palace during a meeting chaired by President Barco, but did not comment.

"We were just witnesses," Salazar said.

In his interview with RCN, Minister Salazar said that "the government was very passive in receiving the information because there was no room for any dialogue or mediation." He reiterated that we "never broached the subject of there being any negotiations between the government and the narcotics traffickers."

Salazar emphasized: "On the contrary. If anything at all was said, it was to reject the idea. The government did not contemplate, at all, the slightest possibility of making any contacts."

The minister insisted on noting that the meeting with Aristizabal and Londono was held "so that the two men could report that what they had done privately had nothing to do with the government's position of no dialogue with narcotics traffickers."

According to Aristizabal and Londono White, the efforts that they undertook, with the help of other middlemen, not only led to the release of Alvaro Diego Montoya and other people, but also resulted in the Extraditables proposal to surrender last January.

Authorities Confirm: Extraditions Will Continue

PA2903041990 Bogota Inravision Television Cadena 1 in Spanish 0007 GMT 29 Mar 90

[Text] Colombian authorities have confirmed that extraditions continue in this country.

This morning Fernando Gutierrez Perez, 29, was sent to an Arizona court in the United States. Gutierrez Perez had been captured by the DAS [Administrative Department of Security] at the El Dorado Airport as he was attempting an escape to Honduras.

Extraditions, as well as the fight against drug trafficking, will continue, according to General Miguel Antonio Gomez Padilla, director of the National Police.

[Begin Gomez recording] Extraditions have not been suspended. The necessary administrative steps are being taken to extradite people. The people are also allowed to

file appeals. There are a number of alternatives which people may resort to. These appeals have to be processed. [end recording]

The general said that six days ago, Magdalena Department representative Jacobo Mariano [word indistinct] was captured in Barranquilla and was brought to the DIJIN [Directorate of Judicial Police and Investigations] in Bogota where 12 other extraditables are [words indistinct], whose time to wait for a government decision is up. According to Gen. Gomez Padilla, the government has ordered authorities not to lower their guard in the struggle against drug trafficking.

[Begin Gomez recording] The National Police [words indistinct] to comply with the law, to comply with the stage of seige decrees; the National Police has never lowered its guard. Police actions have been constant and permanent against all drug trafficking activities. [end recording]

First TV Marti Cast Termed 'Victory for Cuba'

PA2903043990 Bogota Inravision Television Cadena 1 in Spanish 0019 GMT 28 Mar 90

[Report by Lucia Esparza Baena]

[Text] The use of television as a U.S. political weapon against Cuba was inaugurated yesterday. After several years of beaming the Radio Marti signal to Cuba, which was intended to allow the Cubans to listen to political proselytism originating in U.S. territory, now the offensive will be accomplished with images on the small screen.

In this war, without missiles or soldiers, the weapons are technological in nature, the participants are the United States and Cuba, and the fight is a television signal with the name of a national hero, TV Marti, which is based in Washington and its viewers are in Havana.

The fight began at 0130 this morning with victorious rock music broadcast over a channel used by the official Cuban television station, Tele Rebelde, but just when the Americans were ready to celebrate the success of this first edition, in which they worked for years and invested more than $7 million, Fidel's boys charged into the scene.

Only 38 minutes of the scheduled three-hour telecast—which Castro called a serious aggression—had elapsed when the signal deteriorated. The victory was for Cuba, which was able to defeat a world electronics power, like the United States. Fidel Castro had already warned the invaders that he would not only interfere with the transmissions, but in reprisal, he could even block the communications of U.S. defense systems.

As proof of this, on Friday, Castro interfered with several Florida radio station networks with his famous anti-Yankee speeches.

Tonight, and during the three-month testing period of TV Marti, the battle will continue.

Ecuador

* Cartagena Summit: Nation's Exclusion Discussed

90ET0162A Quito EL COMERCIO in Spanish 21 Feb 90 p 4

[Editorial by Alejandro Carrion: "Concerning an Absence"]

[Text] We did not attend the Cartagena Conference, and for good reason: They did not invite us. And that was fine; it was obvious that we are a fortunate nation, since drug production and trafficking here have not reached the point of evoking international concern. Hence, we should congratulate ourselves and feel blessed: The island of peace is also an island of innocence.

This is what the honorable ministers claim. If I am allowed to dissent, I would say that our not having received an invitation is a serious failure that has put us at grave risk. We are located amid the countries up to their necks and more in drug trafficking; this is the case among our neighbors, Colombia and Peru, as well as Bolivia, almost another neighbor. In their midst, we are safe and sound, and innocent.

In order to be able to retain this privileged status, it was essential for us to be in Cartagena. This is evident at a mere glance, and if the government does not discern this it is merely to console itself for the failure represented by our not having obtained an invitation. Our absence from Cartagena is detrimental to us and to them; and they have not discerned it, nor have we been capable of making them discern it.

Our status, with "minor" drug trafficking and "almost" no coca and marijuana production, by no means signifies assurance for us that this favorable situation will not change, and within a very short period of time. As it becomes increasingly difficult to produce, process, store, and market drugs in Colombia, Peru, and Bolivia, the business will begin here.

Growing coca in our fields is quite easy: The plant is produced splendidly, and our fields, without roads, are ideal for containing the largest seedbeds, without risk. Those same conditions are perfect for camouflaging both laboratories and warehouses. And everyone knows that any desired number of airplanes can fly here without anyone noticing.

And, furthermore, all this will be easy with the burning desire to earn income that would cause people to undergo "economic reactivation," the new official name for the inflationary anemia consuming us.

This situation could occur overnight; it is probably already under way. During the Febres Cordero government, large coca plantations and laboratories located in the eastern region were destroyed. We saw it on TV: There we realized that it could be achieved without difficulty and, if there were not active vigilance, which is very expensive, production would occur very quickly.

Ecuador's presence at Cartagena was essential for presenting this situation and for taking all the precautions and obtaining all the necessary technology and credit to prevent production, storage, and trafficking of what is produced outside. And it was also required to prevent our becoming a refuge for the "capos," and even for the small-scale dealers who are forced to disappear, in view of the prosecution that is apparently becoming serious in the neighboring countries.

For all these reasons, our presence at Cartagena was essential, and I cannot understand why the fact that we were omitted should be a success that we all ought to celebrate. I am expressing my surprise, that is all.

Peru

Terrorist Attacks, 'Armed Stoppage' in Capital

No Evidence of APRA Role

PY2803182490 Lima Television Peruana in Spanish 0000 GMT 27 Mar 90

[Text] Interior Vice Minister Julio Rodriguez Figueroa said today that there is no evidence that APRA militants [American Revolutionary Popular Alliance] were involved in the attacks on several Fredemo [Democratic Front] facilities.

He added that the wave of dynamite attacks are being investigated. He reiterated that all kinds of security measures for the population have been taken in the face of an alleged armed stoppage announced by Shining Path.

[Begin recording] [Reporter] Will protection be given to transportation workers? The drivers' federation held a meeting yesterday and the members said they do not have any official information on such protection.

[Rodriguez] The drivers are in permanent contact with the Lima Prefecture which is going to coordinate actions in this regard. The Lima Police are taking all the necessary security measures for the drivers.

[Reporter] Will the police carry out early patrols?

[Rodriguez] The patrols will be made at all times.

[Reporter] We believe that the security measures [words indistinct]. Will there be any additional measures?

[Rodriguez] All the measures we are taking depend on the availability of resources. There are basic as well as additional measures.

[Reporter] Several attacks were made against Fredemo facilities. Mario Vargas Llosa said that members of the APRA are involved in the attack.

[Rodriguez] There is no evidence in this regard. The necessary investigation is being made to identify the people responsible for the attacks.

[Reporter] [Words indistinct] the Popular Democratic Movement, a new terrorist sector, is causing a commotion in the country.

[Rodriguez] The National Police have given information about this and will give more information at the appropriate time.

[Reporter] [Words indistinct] terrorists creating panic.

[Rodriguez] We are taking the necessary measures. Our material and human resources are available to detect terrorist actions. [end recording]

Terrorist Attacks Continue

PY2803190890 Buenos Aires TELAM in Spanish 1300 GMT 28 Mar 90

[Text] Lima, 28 Mar (TELAM-EFE)—The National Police have reported that, last night in Lima, the terrorist organization Shining Path attacked a Peruvian Army building with explosives and gunfire, detonated a car bomb in front of a shoe factory, owned by U.S. interests, and caused a blackout in some areas of the Peruvian littoral.

The Shining Path's wave of violence took place a few hours into the so-called "armed stoppage" yesterday in Lima. The strike was called by the Maoist group to boycott the 8 April general elections.

The unusual measure of force is taking place while this capital and El Callao, Lima's port, are under a state of emergency. The state of emergency, which was implemented 23 March, includes the suspension of all civil rights.

A police source has noted that, for the Shining Path, an "armed stoppage" is a tool to disrupt normal life in Lima such as transportation, commerce, state and commercial banks, industry, and the closure of marketplaces.

A woman was seriously injured after soldiers repelled a terrorist attack on the Army workshop located on Grau Avenue in downtown Lima. The explosives caused minor property damage.

The police reported that at almost the same time a "car-bomb" exploded near the front gates of the "Bata" shoe factory, which is owned and operated by U.S. interests.

The wave of violence began night before last in El Callao when the terrorists detonated a series of explosives and another "car-bomb" near the front door of the courthouse, and managed to frustrate a rally of the Socialist Left (IS) presidential candidate, Alfonso Barrantes.

Early this morning the insurgents seized a bus, painted slogans of the "armed stoppage" on it, and distributed pamphlets about the use of force to the frightened passengers, while another group detonated dynamite sticks at a marketplace.

In order to counteract the wave of violence, as of 26 March the Peruvian Government has been deploying several hundred of policemen in Lima and El Callao. It has also been reported that at least 20 alleged subversives have been detained.

The police reported that so far neither the Shining Path nor the Marxist Tupac Amaru Revolutionary Movement (MRTA) have claimed responsibility for the terrorist wave.

David Quintana, a leader of the transportation workers, has disclosed that many of his colleagues have received death threats from the Shining Path if the "armed stoppage" is not observed. After denouncing that they lack the necessary guarantees, Quintana reported that they left the transportation sector people free to decide if they will continue working.

However, Deputy Interior Minister Jose Rodriguez has pledged that the National Police will protect the drivers. He said that the transportation sector people promised him that they would work normally.

Meanwhile, Electro-Peru [Peruvian State Electric Power Enterprise] has reported that last night a blackout affected at least some 500 km of the northern Peruvian littoral after terrorists knocked down at least two high-tension towers of the Lima-Chimbote power line.

The police reported that in Huancayo insurgents detonated two "car-bombs" in central areas of this Andean province located 315 km east of Lima, killing one person and injuring an as yet undetermined number of persons.

Shining Path's Armed Stoppage

PA2803192090 Madrid EFE in Spanish 1638 GMT 28 Mar 90

[Text] Lima, 28 Mar (EFE)—The Peruvian armed group, Shining Path, today called a transportation stoppage in Lima which paralyzed 85 percent of transportation in a new episode of political violence against the upcoming 8 April elections. The stoppages are strikes conducted under death threats against all those who do not abide by them, a warning which was received today by private bus drivers and their relatives in Lima, so no one went out to work, it has been stated by the drivers' leaders.

Only the municipal bus enterprise's buses are operating, but on a restricted basis, because they do not circulate in what are considered the most dangerous sectors of the city. Jorge Meneses, president of the enterprise, said that 722 vehicles out of the 10,000 which usually circulate throughout Lima are currently operating.

Private bus drivers' leader David Quintana said that no one went to work given the lack of guarantees, adding that they will not work on 8 April—election day —if they are not given the necessary guarantees.

People in Lima went to work by walking or riding in trucks, taxis, or any other means of transportation—an attitude that was termed praiseworthy by Labor Minister Wilfredo Chau, who said that the bus drivers were irresponsible people.

Meanwhile, four persons were wounded in the Lima neighborhood of Villa El Salvador following an attack on the local offices of the ruling APRA. Four persons placed explosives at the office's door and immediately escaped.

Police agents are patrolling the city in trucks and wearing hoods which cover most of their faces.

Lima has been the target of daily attacks for over a week and, as the newspaper PAGINA LIBRE says today, it is the victim of a dynamite epidemic. Terrorists left three car bombs in the capital last evening, following a car bomb which exploded at the Economy Ministry's door on 23 March, causing one death and 25 wounded. One car bomb exploded at the door of the U.S.-owned shoe factory, Bata, causing damage but injuring no one. Another car bomb exploded, also without causing injuries, five blocks from the place where a Socialist Left rally was being held in the port of Callao.

Also, the Peruvian police last night defused a third car bomb left in front of the Jorge Chavez International Airport in Calleo. Ten kg of dynamite and flyers of the MRTA were found inside. Given this situation, strict security measures have been adopted at the airport and in two Lima universities which the authorities consider infiltrated by terrorists.

Other attacks occurred last night in Lima against two police stations and banks following an increasing wave since 26 March—while four deputy candidates, one APRA leader, and two managers were assassinated in Lima and other parts of Peru last week. The Shining Path members also seized two radio stations in Lima this week and forced them to broadcast subversive messages.

The situation in the provinces is also tense, particularly in the zones where the Shining Path operates permanently; and the group has decreed two armed strikes in Ayacucho Department during March. The strikes were supported en masse. Two car bombs have exploded in Huancayo, 415 km southeast of Lima, in the last 24 hours, killing one and wounding several. The second of these attacks occurred yesterday before Socialist Left presidential candidate Alfonso Barrantes began a rally. A banking official was assassinated on the street, while he traveled on a motorcycle, in the southern city of Ayacucho.

Shining Path members also threw explosives against a potable water storage tank in Cuzco, 1,000 km southeast of Lima, but caused minor damage. Meanwhile, six Shining Path members died on 25 March in Junin Department during a shootout between terrorists and police.

Nevertheless, the Interior Ministry authorities have stated that a curfew will not be implemented in Lima

even though everything seems to predict that the Shining Part and MRTA offensive will continue.

Interior Minister Comments

PY2803191490 Lima Television Peruana in Spanish 1700 GMT 28 Mar 90

[Text] Interior Minister Agustin Mantilla has said the police are giving the necessary protection in the city for activities to continue normally. He also criticized the bus drivers.

[Begin recording] [Mantilla] Right, right. All this is already in the planning stage. I repeat that this is an agreement reached by the presidents in Cartagena.

[Reporter] We would also like to address other points. How is your sector assessing the situation in the country at this moment? Or at least in Lima?

[Mantilla] Regarding internal security? Well, the enemy that we are energetically and resolutely fighting has tried to carry out some actions that have not had greater significance—at least so far this morning.

The National Police and the Armed Forces have been deployed in the city. We are sure that public order is under control and that the citizenry enjoys the security that the forces of order must provide.

[Reporter] Despite the protection on the streets, some bus drivers have not left for work and this has created some difficulties for transportion workers.

[Mantilla] It is true. There are many bus drivers who considered that it was not appropriate to leave for work. This, to some extent, depends on their moral responsibility toward the country and toward the people.

We hope that next time, after it is demonstrated that the forces of order guarantee security on the city's streets, they will muster enough courage to face, as is the case with the police and the rest of the country, the struggle against subversion and terrorism. [end recording]

Interior Ministry Communique on Strike

PY2903024490 Lima Television Peruana in Spanish 0000 GMT 28 Mar 90

[Communique 036/90 released by the Interior Ministry Social Communication Office in Lima on 28 March]

[Text] 1. Today, 28 March, the residents of Lima carried out their daily duties normally, ignoring the rumors that there would be a strike.

2. The Interior Ministry praises the people's actions, which show they have civil consciousness and democratic will.

3. National Police, supported by the Armed Forces, deployed its personnel, arrested 48 terrorists, and seized weapons, explosives, and subversive propaganda, although there were no great riots, material damage, or casualties.

4. The Interior Ministry regrets that some bus drivers of Lima's transportation sector, forgetting that they perform a public service, failed to render this service to the people.

5. The government confirms its decision to firmly repel the terrorist threat and to make sure that the law is respected, even if it must use weapons to do so.

Lima, 28 March 1990, Interior Ministry Social Communication Office.

No Curfew Planned

PY2903001690 Lima Domestic Service in Spanish 1100 GMT 28 Mar 90

[Text] Deputy Interior Minister Julio Rodriguez Figueroa has said that the government does not plan to implement a curfew in Lima and El Callao despite the increased terrorist violence in the capital over the past few days. The deputy interior minister said that the forces of order are keeping the situation under control and that they are making a major effort to neutralize any action by the terrorist groups.

Garcia on Strike, Charges

PY2903035690 Lima Television Peruana in Spanish 0000 GMT 29 Mar 90

[Excerpts] President Alan Garcia today said that the people reacted with serenity, courage, and democratic firmness to the strike that a group of fanatic anarchists, seeking to frighten the people a few days before the elections, intended to stage. He said that everything was normal with the exception of a group of urban bus drivers who decided not to work. President Garcia then characterized as reckless the comments made by the Fredemo candidate charging that there were indications that APRA members had taken part in attacks on Liberty Movement offices. These remarks show lack of serenity and the insecurity of those who, despite having spent millions in their electoral campaigns, know that they will not receive all the votes they expected. Garcia also announced that 11 billion intis have been earmarked to insure, through the Popular and Porvenir Insurance Companies, the chairmen and other members of the voting tables for the 8 April elections.

[Begin recording] [Garcia] I believe the people are reacting with serenity and courage. The reports I have received state that all companies and industries were open today and that life in the city was almost entirely normal, except for the fact that some bus lines did not operate at full schedule, at least not in the morning. [passage omitted]

[Reporter] Mr. President, the Fredemo candidate has charged that people close to the APRA are responsible for the attacks on Fredemo offices. What do you think of that?

[Garcia] I believe this is an irresponsible and reckless statement. It shows that the candidate lacks serenity and confidence in himself. He cannot, all of a sudden, say that APRA candidate Luis Alva Castro, who is competing with him, and the APRA are hurling bombs at Fredemo offices. I believe this is either fantasy or insecurity. [passage omitted]

[Reporter] Mr. President, this morning Fredemo candidate Mario Vargas Llosa charged that 30 DPRK officials will come to Peru at the invitation of the executive branch to frighten the people and stage terrorist acts on 8 April. What do you think of that?

[Garcia] I have not heard the Fredemo candidate say that, and I do not believe that he would be so nervous as to say such a foolish thing.

[Reporter] [Question indistinct]

[Garcia] Absolutely not. I do not believe that Mr. Vargas Llosa, whom I think is able to control his nerves and his concepts, would reach this extreme point. [end recording]

Interior Minister on U.S. Antidrug Assistance

PY2803221890 Lima Television Peruana in Spanish 1700 GMT 28 Mar 89

[Text] After signing an assistance agreement with Interior Minister Agustin Mantilla, U.S. Ambassador Anthony Quainton said today that the United States will deliver $6 million to Peru as an advance on the $65 million earmarked for the struggle against drug trafficking.

[Begin Mantilla recording] Mr. Ambassador, friends: Today we signed an extension agreement that marks a new stage in the participation and cooperation that the governments and peoples of Peru and the United States have been implementing all these [words indistinct].

These years have served to demonstrate to the international community that our governments and our peoples are resolutely, bravely, and courageously facing this struggle against an international crime. We all know what this social scourge represents for Peru, for the United States, and for the entire world. Therefore, I repeat, we have managed to confront the criminals resolutely.

This new stage of participation with the U.S. Government in the struggle against drug trafficking is just one landmark among many for the two countries. This is just another tool to be able to continue the struggle against underdevelopment and crime, which, unfortunately, are linked in some regions of our country. [end recording]

Velazquez Recommends Safe Lodging for Candidates

PY2903002090 Madrid EFE in Spanish 0502 GMT 28 Mar 90

[Text] Lima, 27 Mar (EFE)—Peruvian Defense Minister Julio Velazquez has proposed that all candidates for the 8 April general election be "locked up" to protect their lives in response to the wave of terrorist violence in the country. At least 10 candidates for legislatures and regional assemblies, who did not have official security guards, were murdered this month.

General Velazquez said: "I believe it would be a good idea to gather all candidates and lodge them in hotels these last few days, so that we can provide them with better protection." Velazquez ruled out the possibility of lodging the candidates in military barracks because they lack the required facilities. He said that the best thing would be to lodge the candidates with their families in hotels or guest houses.

The government has placed at least 100,000 policemen on full alert to provide security to citizens nationwide with the general elections only 11 days away. According to the police, terrorist groups have intensified their actions by planting car bombs; bombing political offices, government and private organizations, and public buses; and by looting supermarkets and stores.

* Private Sector Reacts to Fredemo Proposals

* Support, Misgivings

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[Text] According to the simplistic views being circulated by APRA [American Popular Revolutionary Alliance] and the leftists, Fredemo [Democratic Front] is the party of business and Vargas Llosa is a kind of puppet of the owner class. In reality, many business people involved in industry, finance, and trade have much more in common with the plans and objectives of MVLl's [Mario Vargas Llosa] adversaries than with him. Exaggerated protectionism, tax reimbursements, exonerations, subsidized credit, differentiated exchange rates, and other advantages enjoyed by some sectors are enthusiastically defended. But Vargas Llosa's liberal proposal consists precisely in eliminating these obstacles that distort the economy. Nevertheless, business backs Fredemo. How does one explain that paradox?

Having overcome the intestinal fever that had kept him out of sight for several days, Mario Vargas Llosa was at a dinner last Wednesday organized to raise funds to support the social compensation plan that would apply from 28 July. MVLl now looks healthy. Those who do not look so well, on the other hand, are many businessmen. Although they may not be exactly feverish, they are having some disquieting premonitory visions, as they become aware that Fredemo's stabilization program also has costs that they will pay.

Their concerns are in part well-founded. The liberal vision is also directed against the "mercantilist" businessmen and the redistributive coalitions who take advantage of the sinecures they are granted by the paternalistic State.

At first, it appeared that many believed the dialogue to be merely a boys' game to defend the same interests as always. That is, a typical political stratagem on the eve of the elections. But then they realized that this was serious, and that Vargas Llosa and some of his closest followers are really convinced of the need for structural adjustment.

And that would mean that the inefficient ones will fail. Which is no news in any country governed by an authentic market economy. But it would be almost unheard of in Peru, where the powerful never fail or lose anything, except very infrequently. And not because they are extraordinarily efficient, but rather because of the use they make of the State for private gain.

In last week's meetings, the businessmens' anguish was clearly evident, as was their intention of trying to prevent passage of that part of the package that would apply to them. At the lunch organized by Adex [Exporters Association] with candidates of the various tickets that are vying for the prize, the exporters expressed their demands.

They agree with everything that benefits them from the shock that Raul Salazar and his boys are planning for next August; the cataclysmic devaluation, for example, since the revenue they receive for the products they sell abroad is in dollars. At the same time, however, they intend to continue enjoying the benefits of promotional measures that were instituted many years ago as temporary incentives and which, as tends to happen in Peru, became permanent.

Former Adex and Confiep [National Confederation of Private Business] President Ricardo Vega Llona said at the beginning of last week that he died laughing at their intention of eliminating Certex [Export Certificates]. Defiant, he bet the journalist that asked him, that Certex would not be eliminated.

Nevertheless, the abolition of that type of incentive should be an integral part of a coherent program, as former Bolivian minister Gonzalo Sanchez de Lozada says.

The issue is that Vega Llona is Fredemo candidate for senator. Specifically, he is at the head of the Freedom Movement, which—one supposes—is the most faithful follower of the liberal doctrines. Will exporter Ricardo Vega Llona in the legislature support the elimination of Certex and other privileges the export sector enjoys?

If not even the Freedom senators—or at least, not all of them—are ready to support a harsh structural adjustment program, which social and political forces will sustain it?

At the meeting organized by Confiep last Friday to hear about the Bolivian experience, as told by Gonzalo Sanchez de Lozada, the architect of the shock that ended hyperinflation in the altiplano country, the concerns of some of the representatives of the business class were also discussed.

Although scheduling problems restricted questions from the audience, it remained clear that the attendees' interests centered on how the stabilization policy would affect each of the sectors represented there.

At the end of the event, a former Confiep president commented to a CARETAS reporter that he agreed with everything Sanchez de Lozada had said. But when the reporter asked him specifically about reducing the level of tariffs, our source replied, "no, under no circumstances."

The persuasive Bolivian, who speaks Spanish with a gringo accent like Richard Webb or Pedro-Pablo Kuczinsky, nevertheless maintains that tariffs must be drastically reduced and all at one time. Nothing gradual, he states, rebutting the Fredemo proposal of lowering them over 2 years.

Sanchez' arguments are worth considering. He says that if one starts with the exceptions and tariffs are maintained for some products, pressures arise from various sectors to expand those exceptions and then to maintain them indefinitely. A democratic government, according to Gonzalo Sanchez, is incapable of resisting those pressures, and the State is incapable of administering a complicated legislation.

Furthermore, the way to avoid a price explosion after the adjustment is to permit imports of foreign merchandise. If not, look what happened to Menem in Argentina for giving in to protectionist pressures from industry and union leaders, Sanchez concluded.

Salvador Majluf, president of the National Industrial Society, does not support tariff reductions. The Bolivian formula raises his hackles. But Fredemo's proposal is also costing him sleep.

In Majluf's view, tariff reductions should occur after lowering inflation, which according to him would take no less than a year. Then the country would have to be stabilized "in every sense(?)." And finally, "significantly reduce terrorism" (CARETAS 1087). That is, the Greek question.

Nor is Jorge Camet in total agreement. Although he is cautious, he is not enthusiastic about the shock and is more ready to sympathize with a certain gradualism (CARETAS 1093).

The financial sector is another that would have problems. Augusto Blacker said some days ago in an alarmist tone that several banks could fail in a recession, with the difficulty of paying many firms.

In reality, it is likely that some banks would have problems. With positive rates of interest, that is to say, higher than inflation, and at first exaggeratedly high, as Raul Salazar has suggested, the situation of the least efficient is going to get more complicated. But a generalized sinking would not necessarily have to be produced. The solution, as in all the other cases, is in modernizing and increasing productivity, above all if they are also going to compete with foreign financiers having carte blanche to enter the Peruvian market.

That is the only alternative, not only to survive the unavoidable structural adjustment, but to get Peru in shape for competing in the world market.

If business leaders and workers do not understand that the current situation is untenable, not only because of factors of the moment, but also because of the secular distortions dragging down the Peruvian economy, it is probable that we will continue to fall behind. And not only compared, for example, to the Asian countries that are already years ahead of us, but also to enterprising neighbors like Chile or Colombia. But an element that has to be taken into account is that there is no true entrepreneurial class in Peru. Beneath the appearance of solidarity that Confiep, for example, may present, there is broad disagreement.

To cite a recent example, a short time ago the National Association of Exporters was formed, to no one's surprise. This institution competes, obviously, with the Exporters Association. Of more liberal leanings, the former groups together the nontraditional with the traditional exporters, such as mining and fishing. Juan F. Raffo of the Romero-Raffo Group presides over it. At the other extreme is Conaco [National Confederation of Merchants], which does not participate in Confiep, and is far from the liberal positions.

There is, then, a wide range of positions among the national business community. Maybe one of the few common characteristics is pragmatism. It is precisely this pragmatism that has led them to support Fredemo, even though it may conflict with some of their proposals. But their alternatives do not vary significantly. Because of a natural lack of trust it is almost impossible for them to approach the leftists, even their moderate wing. And with APRA they have had very recent and disappointing experience.

Thus, there remains no other alternative but to support—and in some cases to incorporate themselves into—Fredemo. What was predictable was that if MVLl fulfills what he has promised, he produces, at least at first, conflicts and clashes with various business groups. It remains to be seen if these will succeed in reining in the liberal impulses that motivate the head of Freedom, in which case they would run the risk of a spectacular failure of the adjustment that Vargas Llosa has announced. Or if the program is implemented come hell or high water, and the predictions of Fredemo's economic team are correct, they would succeed in ending hyperinflation while at the same time initiating a true restructuring of the productive apparatus. And—perhaps most importantly—of business's attitudes toward the State and the market.

* Exporters' Fears Viewed

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[Text] Even though the business sector has several times demonstrated its agreement with Fredemo's [Democratic Front] general policy lines, there are some areas that could be controversial. The case of the treatment of exports will surely be one of those.

What Fredemo Would Do

Fredemo's economic program contemplates establishing a single exchange rate whose real value would be stable in the long term and high in relative terms, so that the competitiveness of exports would be guaranteed. In its turn, it would implement a tariff reform that would fix tariffs in a range of 10 to 40 percent the first year, to be adjusted automatically and in a "nonnegotiable" manner according to a previously announced schedule with the objective of achieving, after a maximum period of 1 or 2 years, one single tariff of 15 to 20 percent. In this way, it is intended that exporters obtain inputs and goods at international prices.

In addition, all indirect taxes incurred by export businesses would be reinstated, including those paid on imports of inputs or goods (tariffs). This reinstatement of taxes would replace the Export Certificates (Certex), which was originally created with that in mind. This measure is intended to eliminate the selective treatment that governments had been applying lately to nontraditional exports. In this way, it is maintained, economic conditions would be established that would be sufficient to allow growth in exports with comparative advantage.

The Fund for Nontraditional Exports (FENT)—to which only nontraditional exports have access—is an incentive that would continue to exist but would be provided at interest rates equal to other lines of credit. And the spirit of the new economic model also calls for delivering a uniform financial treatment to the export sector. Thus, credit at international interest rates would be facilitated, but without distinguishing between various types of businesses.

In addition, simplification of all paperwork connected with exports has been proposed, especially the legal system for the import of inputs and goods for export. There currently exist procedures for passive improvements (conversion and/or transformation overseas of raw and other materials) and active improvements (temporary internment, suspension of duty payments), but these do not function with the flexibility demanded by international trade. Additionally, it is projected that, 1 year from now at the latest, the port and customs services will be privatized so as to provide efficient services and

internationally competitive tariffs. In addition, the transformation of the ICE [Foreign Trade Institute] into a promotion organization for foreign trade has been planned.

What Do Businessmen Think?

Industrial Society President Salvador Majluf states that the businessmen comprising this sector "agree with the objectives of the Fredemo candidate, but have discrepancies with the time periods in which he intends to undertake the changes he is proposing."

Raul Salazar, head of the Fredemo economic plan, stated in a recent meeting with businessmen from the export sector that the Certex is a promotional mechanism that will be automatically lifted. But various businessmen believe that such a measure could be harmful if not applied gradually.

Thus, for example, former FOPEX [not further expanded] President Leslie Pierce believes that "if the Certex and the FENT are suddenly eliminated it will severely affect nontraditional exports. It is necessary that the new government establish a period of time during which export firms would become accustomed to the new conditions under which they would have to operate."

Some exporters, in opposing immediate elimination of the promotion mechanisms, parry correctly that additional export support measures, such as improved service infrastructure for trading (ports, customs, means of transport), would not occur overnight. Majluf states that "the offer to privatize ports and customs facilities would not be able to be affected with the speed that Vargas Llosa supposes. To do so, it is reasonable that they give us the same length of time that the government will take to undertake the proposed changes."

With regard to the changes in export incentives that have been discussed, a commission has been created comprised of representatives from each of the export sectors to develop a plan for a Foreign Trade Law. The instrument is substantially different from the law approved by the current government, given that it is under consideration to be applied in a liberal economic regime. With respect to the Certex, the project anticipates its gradual elimination within 2 years.

Salazar maintained in the meeting mentioned above that "to provide time frames for such a decision would produce a bad effect on extending for a greater period of time situations of unjustified privilege." For his part, Alfonso Polar of Sode [Solidarity and Democracy] states that "it would be ideal to eliminate the incentives in a gradual manner, but that is difficult because the priority goal of reducing inflation would be thrown out with that type of concession." According to Polar, temporary maintenance of the referenced incentives would require fiscal expenditures that would have inflationary repercussions.

Despite Fredemo's public statements, a Freedom official who asked to remain anonymous indicated that the group's economic team has not yet rejected the possibility of eliminating the Certex over a greater time period, which could be in May of 1992, the date on which the mechanism expires. The same official indicated that "at first we could opt for cancelling all the compensatory and supplementary Certex." Later, he adds, "dates for the gradual elimination of the basic Certex would be determined. In reality, the speed with which Certex is eliminated would have to be directly proportional to the time over which export services are optimized, since currently Certex serves to compensate for costs caused by the country's own inefficiencies."

ADEX [Exporters Association] Vice President Gaston Benza notes that "even countries that have applied liberal economic programs have maintained export incentives with greater added value." Benza recognizes that there are many distortions in the tariff structure. Nevertheless, he notes that "except for the incongruities, it is necessary if not to preserve, at least to replace the current incentives for nontraditional exports."

Salazar, however, affirms that the "rules would be equally valid for every one of the sectors because any exception would lead to failure of the model. Besides, in this country numerous goods are produced that could compete in a privileged form because they benefit from superior competitive advantages over their foreign counterparts."

A Freedom official says that "in addition to the advantages that the opening itself would bring to the country, we could benefit from the fact that this would put into practice mechanisms for obtaining additional concessions from countries that trade with Peru." He explains that the industrialized countries constantly pressure the traditionally protectionist countries like Peru to open their markets; thus, "the Peruvian authorities could ask for some prerogative in exchange for the adoption of such a measure, such as, for example, certain exemptions or free entry for certain Peruvian products in markets of significant consumption." He adds that liberalization of the market would also have to be utilized to negotiate agreement to international conventions such as the GATT Code of Rights and Compensatory Subsidies. "It is important that Peru subscribe to that instrument to be protected against sanctions by one of its trading partners." The official adds that "if Peru had signed this agreement in 1984, the United States would not have been able to require that the textile industries renounce Certex."

Venezuela

Salvadoran President Arrives; Greeted by Perez

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[Text] Salvadoran President Alfredo Cristiani said this afternoon that the resumption of the talks between his government and the guerrillas could take place in a very short time, however, he said no date or place has yet been agreed upon for the direct talks.

Cristiani made these statements upon arriving in Venezuela for an official three-day visit.

The Salvadoran president arrived in the country aboard a Venezuelan Air Force plane at 1245 this afternoon. At the Maiquetia International Airport he was received by Venezuelan President Carlos Andres Perez and by members of the Executive Cabinet, the church, and top military leaders.

The relevant presidential honors were rendered to President Cristiani, who was accompanied by a small retinue composed of the Salvadoran economy, foreign, planning, and justice ministers. President Perez welcomed the Salvadoran president at the airport's protocol room.

[Begin recording] My first words upon receiving you in your land and home, have to be my offering of solidarity to your government and people to contribute as much as possible so that the Republic of El Salvador enters the path of development that is worthy of its people.

[Cristiani] We come to this friendly nation with the purpose of strengthening even more the magnificent relations that have joined Venezuela and El Salvador throughout history. We admire the government and people of Venezuela for the role they have played in world events and their brilliant democratic record. [end recording]

A few hours later, Cristiani went to the National Pantheon accompanied by Venezuelan Foreign Minister Alejandro Izaguirre. Cristiani placed a floral wreath on the tomb of the liberator, Simon Bolivar. He availed himself of the opportunity to speak with the reporters.

[Begin Cristiani recording] I believe President Perez is striving to help all parties of the Salvadoran society in a common effort to achieve peace. Obviously, the Central American agreements right now...[changes thought] we have invited the UN secretary general so that he will promote the resumption of the dialogue in our country. However, there is always a need for oustanding people's cooperation, such as President Perez, who has always struggled for democracy and peace in the region. His cooperation is extremely important in bringing together the parties and urging everyone to work together in this aspect. We feel this is a great help in helping El Salvador achieve peace.[end recording]

President Cristiani's activities concluded today with a dinner hosted by the Venezuelan president at the Miraflores Palace. The ministers who are accompanying Cristiani will meet tomorrow with their Venezuelan counterparts.

Suriname

Peace Process With Rebels Makes Little Progress

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[Text] The peace process between rebels and government officials in Suriname have made little progress. A round of talks has been going on in Paramaribo since last Friday in an attempt to end the country's civil war. One problem area is the rebel's demand to create an authority separate from the government that would oversee the affairs of areas under rebel control. The Surinamese Government objects to this demand. More talks are scheduled for today.

Government Releases Rebel Leader Brunswijk

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[Text] The Surinamese Government has released rebel leader Ronnie Brunswijk and 11 other guerrillas from custody. Military police arrested Mr. Brunswijk in Paramaribo late Monday [26 March]. Two of his body guards were killed in an exchange of gunfire as they put up resistance to the arresting soldiers.

The Armed Forces said the rebel leader was interrogated as part of a probe into the guerrillas seizure last Tuesday [27 March] of a plane carrying one ton of cocaine from Colombia. Officials say they have guaranteed the group's safety for peace talks in Paramaribo with President Ramsewak Shankar.